

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 658

Introduced by Raikes, 25

Read first time January 17, 2007

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend sections 32-570, 79-498,
2 79-4,100, 79-4,103, 79-501, 79-502, 79-524, 79-525,
3 79-526, 79-559, 79-569, 79-570, 79-572, 79-576, 79-577,
4 79-578, 79-579, 79-580, 79-581, 79-587, 79-588, 79-594,
5 79-5,107, 79-716, 79-828, 79-1023, 79-1029, 79-1036,
6 79-1072, 79-1077, 79-10,103, 79-10,110, 79-10,114,
7 79-10,117, 79-10,118, 79-1217, and 79-1504, Reissue
8 Revised Statutes of Nebraska, sections 23-3302, 72-2304,
9 79-528, 79-554, 79-586, 79-1030, 79-1065.02, and
10 79-10,120, Revised Statutes Cumulative Supplement, 2006,
11 and sections 79-102, 79-401, 79-402, 79-403, 79-413,
12 79-415, 79-416, 79-418, 79-419, 79-423, 79-431, 79-433,
13 79-434, 79-443, 79-447, 79-452, 79-454, 79-455, 79-470,
14 79-472, 79-473, 79-479, 79-494, 79-495, 79-4,101, 79-611,

1 79-850, 79-1003, 79-1026, 79-1028, 79-1083.02, and
2 79-1083.03, Revised Statutes Cumulative Supplement, 2006,
3 as affected by Referendum 2006, No. 422; to provide for
4 creation and affiliation of Class I school districts
5 as prescribed; to eliminate provisions relating to
6 Class VI school districts; to harmonize provisions; to
7 repeal the original sections; and to outright repeal
8 sections 32-546, 79-523, 79-553, 79-563, 79-568, 79-585,
9 79-5,108, 79-717, and 79-1078, Reissue Revised Statutes
10 of Nebraska, and sections 79-404, 79-410, 79-411,
11 79-417, 79-424, 79-425, 79-426, 79-477, 79-478, 79-4,109,
12 79-4,110, and 79-4,111, Revised Statutes Cumulative
13 Supplement, 2006, as affected by Referendum 2006, No.
14 422.

15 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) Any individual or group of individuals
2 residing in a Class II, III, or IV school district may propose
3 a plan to create a new Class I school district. The plan shall
4 contain a legal description of the proposed district, a map of the
5 proposed district, a list of at least three resident students who
6 will enroll in such district as attested to in writing by a parent
7 or legal guardian, a facilities plan, a staffing plan, an estimated
8 budget, and a proposed method for dividing assets and liabilities
9 between the Class II, III, or IV school district and the proposed
10 Class I school district. The proposed district shall consist
11 of contiguous territory of at least twenty square miles, only
12 territory which is then within the boundaries of a single Class
13 II, III, or IV school district, and territory that does not divide
14 a precinct as defined in section 32-114. The estimated number of
15 students shall be based on a survey of individuals residing in the
16 proposed district. The facilities plan shall include the location
17 of the building, whether an existing building will be transferred
18 from the Class II, III, or IV school district to the new Class I
19 school district, and the cost of any proposed facility purchase,
20 construction, or renovation. If the facilities plan would require
21 a capital facility bond, the plan shall include a proposal for a
22 bond issue to be voted upon concurrently with the plan and both the
23 vote for the creation of a new Class I school district and the vote
24 for such bond issue must be successful in order for the new Class I
25 school district to be created.

1 (2) Such plan shall be filed with the school board of
2 the affected Class II, III, or IV school district and the State
3 Committee for the Reorganization of School Districts on or before
4 January 15 of any even-numbered year. The state committee shall
5 approve the plan if the minimum requirements of subsection (1) of
6 this section are met. If the minimum requirements are not met, the
7 state committee shall reject the plan with an explanation of the
8 unmet requirements. Such approval or rejection shall be made on or
9 before April 1 of such year.

10 (3) If the state committee approves the plan, it shall
11 submit the plan within five days after such approval to the
12 election commissioner or county clerk of the county in which the
13 Class II, III, or IV school district is headquartered.

14 (4) If the state committee rejects the plan, the
15 individual or group of individuals initiating the plan may appeal
16 the rejection to the State Board of Education on a form prescribed
17 by the State Department of Education on or before April 15 of such
18 year. The state board shall consider the appeal at a meeting on
19 or before June 15 in such year and determine at such meeting if
20 the minimum requirements have been met. The individual or group
21 of individuals appealing the decision shall have an opportunity to
22 testify at such meeting. If the state board reverses the decision
23 of the state committee and approves the plan, the state board shall
24 submit the plan to the election commissioner or county clerk in
25 the county in which the Class II, III, or IV school district is

1 headquartered within five days after such approval.

2 Sec. 2. An election commissioner or county clerk
3 receiving an approved plan pursuant to section 1 of this act shall
4 put the plan into petition form on or before July 15 following
5 receipt of the plan. The petition form shall be based on a
6 standard form developed by the Secretary of State for such purpose.
7 The petition shall contain a legal description of the proposed
8 district, a map of the proposed district, and the other elements
9 of the plan required by such section. The individual or group of
10 individuals initiating the plan shall be responsible for gathering
11 sufficient signatures on such petitions in order for the plan to
12 be placed on the ballot at the next statewide general election.
13 In order for the plan to be placed on the ballot, such petitions
14 shall contain the signatures of not less than fifteen percent of
15 the registered voters residing in the affected Class II, III, or IV
16 school district, which total shall include not less than fifty-five
17 percent of the registered voters residing in the proposed Class
18 I school district, verified as provided in section 32-631. The
19 petitions shall be filed with the election commissioner or county
20 clerk for signature verification on or before the immediately
21 following August 15. If the election commissioner or county clerk
22 determines that the appropriate number of registered voters signed
23 the petitions, he or she shall place the issue on the ballot
24 for the next statewide general election. Petition circulators and
25 signers shall conform to the requirements of sections 32-629 and

1 32-630.

2 Sec. 3. If the petitions submitted pursuant to section
3 2 of this act contain sufficient verified signatures, the plan
4 shall be certified by the election commissioner or county clerk
5 who received the petitions and shall be placed on the ballot for
6 the following statewide general election in accordance with the
7 Election Act. The ballot language shall be based on a standard
8 form developed by the Secretary of State for such purpose and shall
9 contain the description of the boundaries of the proposed Class
10 I school district and the affected Class II, III, or IV school
11 district or districts as contained in the petition. A map of the
12 proposed Class I school district and the affected Class II, III,
13 or IV school district which is identical to the map contained in
14 the petitions shall be prominently displayed at each polling place.
15 The prorated share of costs of such election shall be paid by the
16 affected Class II, III, or IV school district pursuant to sections
17 32-1201 to 32-1208. Only the registered voters of the affected
18 Class II, III, or IV school district may vote in such election.

19 Sec. 4. If a majority of the persons voting on the ballot
20 question submitted pursuant to section 3 of this act vote in favor
21 of creating the Class I school district described in the petition,
22 the State Committee for the Reorganization of School Districts
23 shall issue an order under section 5 of this act on or before
24 December 31 of the same year. The provisions of section 79-492 to
25 79-495 relating to school district organization shall apply to such

1 Class I school district.

2 Sec. 5. The order of the State Committee for the
3 Reorganization of School Districts creating a new Class I school
4 district shall:

5 (1) Designate an effective date of the following July 1
6 for the creation of the new Class I school district;

7 (2) Contain the description of the proposed boundaries of
8 the new Class I school district and the affected Class II, III, or
9 IV school district and a map of such boundaries, as provided in the
10 plan approved pursuant to section 2 of this act;

11 (3) Affiliate the Class I school district with the
12 affected Class II, III, or IV school district;

13 (4) Provide a method for dividing the assets and
14 liabilities of the Class II, III, or IV school district between
15 the Class I school district and the Class II, III, or IV school
16 district as provided in such plan; and

17 (5) Appoint an initial school board of three residents of
18 the Class I school district who shall begin serving immediately and
19 who shall serve until the first annual meeting of the new Class I
20 school district.

21 Sec. 6. The State Department of Education shall recognize
22 a local system as defined in section 79-1003 consisting of a
23 Class II, III, or IV school district and the affiliated Class I
24 school district as a single Class II, III, or IV school district
25 for state aid, budgeting, accreditation, enrollment of students,

1 state programs, and reporting. The local system shall submit a
2 single report document for each of the reports required of school
3 districts pursuant to Chapter 79 and shall submit a single budget
4 document pursuant to the Nebraska Budget Act and sections 13-518 to
5 13-522.

6 Sec. 7. Upon the effective date of an order pursuant to
7 section 5 of this act creating of a Class I school district, the
8 residents of any such Class I school district shall also be deemed
9 residents of the affiliated Class II, III, or IV school district
10 and deemed registered voters in both school districts. On and
11 after January 1, 2008, all new bonded indebtedness for such school
12 districts shall be voted on by registered voters of the entire
13 local system and the entire territory of the local system shall be
14 subject to taxation for repayment of such bonded indebtedness if
15 approved.

16 Sec. 8. (1) The school board of a Class II, III, or IV
17 school district may call for a special election of the voters of
18 an affiliated Class I school district to determine if such Class
19 I school district shall be retained. Only the registered voters
20 of the Class I school district shall be eligible to vote in such
21 election. If less than fifty percent of the registered voters of
22 such Class I school district vote to retain the Class I school
23 district, the Class I school district shall be dissolved. If the
24 Class I school district is required to be dissolved as a result of
25 such election, the State Committee for the Reorganization of School

1 Districts shall issue an order merging such Class I school district
2 into such Class II, III, or IV school district with an effective
3 date of July 1 following such special election, except that if
4 the special election is held between January 1 and July 1, the
5 effective date shall be July 1 of the following calendar year. Such
6 special election may not be held more than once every two calendar
7 years. Such special election shall not be held by mail, and the
8 cost of such election shall be paid by the Class II, III, or IV
9 school district. Except as otherwise provided in this section, the
10 provisions of the Election Act governing special elections apply to
11 a special election held under this section.

12 (2) The school board of a Class I school district created
13 pursuant to sections 1 to 7 of this act may vote to dissolve
14 such Class I school district by resolution of the board with an
15 effective date stated in the resolution of July 1 following the
16 adoption of the resolution or the following July 1. Such resolution
17 shall be delivered to the Class II, III, or IV school district
18 with which the Class I school district is affiliated and to the
19 State Committee for the Reorganization of School Districts within
20 ten days after its adoption by the board. The state committee shall
21 issue an order merging such Class I school district into such Class
22 II, III, or IV school district with the effective date stated in
23 the resolution.

24 Sec. 9. Section 23-3302, Revised Statutes Cumulative
25 Supplement, 2006, is amended to read:

1 23-3302 The county board of any county may contract with
2 the educational service unit of which it is a part, with a Class
3 II, III, IV, or V, ~~or VI~~ school district, or with an individual
4 who holds a Nebraska certificate to administer, to be a county
5 school administrator for Class I school districts in the county
6 and to perform other designated county educational activities. Any
7 contract entered into under this section shall not exceed a period
8 of one year. The county school administrator, with the approval
9 of the county board, shall have the authority to employ such
10 other persons as may be necessary to assist the county school
11 administrator in the performance of his or her duties.

12 Sec. 10. Section 32-570, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 32-570 (1) A vacancy in the membership of a school board
15 shall occur as set forth in section 32-560 or when a member is
16 absent from the district for a continuous period of sixty days at
17 one time or from more than two consecutive regular meetings of the
18 board unless excused by a majority of the remaining members of the
19 board.

20 (2) A person appointed to fill a vacancy on the school
21 board of a Class I school district by the remaining members of
22 the board shall hold office until the beginning of the next school
23 year. A board member of a Class I school district elected to fill a
24 vacancy at a regular or special school district meeting shall serve
25 for the remainder of the unexpired term or until a successor is

1 elected and qualified.

2 (3) Except as provided in subsection (4) of this section,
3 a vacancy in the membership of a school board of a Class II,
4 III, IV, or V, ~~or VI~~ school district resulting from any cause
5 other than the expiration of a term shall be temporarily filled
6 by appointment of a qualified registered voter by the remaining
7 members of the board. A registered voter shall be nominated at
8 the next primary election and elected at the following general
9 election for the remainder of the unexpired term. A registered
10 voter appointed or elected pursuant to this subsection shall meet
11 the same requirements as the member whose office is vacant.

12 (4) Any vacancy in the membership of a school board of
13 a school district which does not nominate candidates at a primary
14 election and elect members at the following general election shall
15 be temporarily filled by appointment of a qualified registered
16 voter by the remaining members of the board. A registered voter
17 shall be nominated and elected to fill the vacancy for the
18 remainder of the term in the manner provided for nomination and
19 election of board members in the district.

20 (5) If any school board fails to fill a vacancy on the
21 board, the vacancy may be filled by election at a special election
22 or school district meeting called for that purpose. Such election
23 or meeting shall be called in the same manner and subject to
24 the same procedures as other special elections or school district
25 meetings.

1 (6) If there are vacancies in the offices of a majority
2 of the members of a school board, the Secretary of State shall
3 conduct a special school district election to fill such vacancies.

4 Sec. 11. Section 72-2304, Revised Statutes Cumulative
5 Supplement, 2006, is amended to read:

6 72-2304 (1) In addition to any other borrowing powers
7 provided for by law, a qualified public agency shall have the
8 power to issue its negotiable bonds to any joint entity as defined
9 in section 13-803 or to any joint public agency as defined in
10 section 13-2503 in connection with any joint project which is to be
11 owned, operated, or financed by the joint entity or joint public
12 agency for the benefit of the qualified public agency. The bonds
13 may be issued only if the second largest participant in the joint
14 project has a financial contribution in the joint project of at
15 least twenty-five percent of the debt service. Such bonds may be
16 issued after the qualified public agency has conducted a public
17 hearing on the issuance of bonds. Notice of such public hearing
18 shall be given by publication in a newspaper of general circulation
19 within the territory of the qualified public agency by at least
20 one publication occurring not less than ten days prior to the
21 time of hearing. After the public hearing, the governing body of
22 the qualified public agency may proceed to adopt a bond measure
23 authorizing bonds.

24 (2) Notice of any such bond measure shall be given by
25 publication of notice of intention to issue bonds in a newspaper

1 of general circulation within the territory of the qualified public
2 agency at least twice after the adoption of the bond measure. Such
3 publications shall be at least three weeks apart. The notice shall
4 state:

- 5 (a) The name of the qualified public agency;
- 6 (b) The purpose of the issue;
- 7 (c) The principal amount of the issue;
- 8 (d) The amount of annual debt service payment anticipated
9 for the bonds, which may be stated as an approximation or estimate,
10 and the anticipated duration for such debt service payments; and
- 11 (e) The time and place where a copy of the form of the
12 bond measure may be examined for a period of at least thirty days.

13 (3) No election shall be required prior to the issuance
14 of bonds under the Public Facilities Construction and Finance Act
15 unless, within sixty days after the first publication of the notice
16 of intention to issue bonds, a remonstrance petition against the
17 issuance of bonds is filed with the clerk or secretary of the
18 qualified public agency. Such remonstrance petition shall be signed
19 by registered voters of the qualified public agency equal in number
20 to at least five percent of the number of registered voters of the
21 qualified public agency at the time the remonstrance petition is
22 filed or at least the number of signatures listed in subsection
23 (5) of this section for the applicable qualified public agency,
24 whichever is less. If a remonstrance petition with the necessary
25 number of qualified signatures is timely filed, the question shall

1 be submitted to the voters of the qualified public agency at a
2 general election or a special election called for the purpose of
3 approving the bonds proposed to be issued. Any joint project for
4 which bonds are issued in accordance with the procedures of the act
5 shall not require any other approval or proceeding by the governing
6 body or the voters of the qualified public agency.

7 (4) No election shall be required for any qualified
8 public agency not issuing bonds to participate in such joint
9 project unless, within sixty days after the governing body of
10 the qualified public agency adopts the measure approving the
11 interlocal or cooperative agreement related to the joint project, a
12 remonstrance petition is filed with the clerk or secretary of the
13 qualified public agency. Such remonstrance petition shall be signed
14 by registered voters of the qualified public agency equal in number
15 to at least five percent of the number of registered voters of the
16 qualified public agency at the time the remonstrance petition is
17 filed or at least the number of signatures listed in subsection
18 (5) of this section for the applicable qualified public agency,
19 whichever is less. If a remonstrance petition with the necessary
20 number of qualified signatures is timely filed, the question shall
21 be submitted to the voters of the qualified public agency at a
22 general election or a special election called for the purpose of
23 approving the interlocal or cooperative agreement related to the
24 joint project.

25 (5) The chart in this subsection provides the alternative

1 number of signatures of registered voters of a qualified public
 2 agency which may be used to submit a remonstrance petition under
 3 subsection (3) or (4) of this section. The classification of
 4 counties in section 23-1114.01 applies for purposes of this
 5 section.

6 Qualified Public Agency	Number of Signatures of Registered Voters
8	
9 City of the Metropolitan Class	1500
10 City of the Primary Class	1000
11 City of the First Class	750
12 City of the Second Class	250
13 Villages	50
14 Municipal County	1500
15 Class 7 County	1500
16 Class 6 County	1000
17 Class 5 County	750
18 Class 4 County	500
19 Class 3 County	250
20 Class 2 County	100
21 Class 1 County	50
22 Class VI School District	250
23 Class V School District	1500
24 Class IV School District	1000

1	Class III School District	500
2	Class II School District	250
3	Class I School District	250
4	Educational Service Unit	250
5	Community College Area	1500
6	Fire Protection District	500
7	Hospital District	500
8	Sanitary and Improvement District	500

9 Sec. 12. Section 79-102, Revised Statutes Cumulative
10 Supplement, 2006, as affected by Referendum 2006, No. 422, is
11 amended to read:

12 79-102 School districts in this state are classified as
13 follows:

14 (1) Class I includes any school district that maintains
15 only elementary grades under the direction of a single school
16 board;

17 (2) Class II includes any school district embracing
18 territory having a population of one thousand inhabitants or less
19 that maintains both elementary and high school grades under the
20 direction of a single school board;

21 (3) Class III includes any school district embracing
22 territory having a population of more than one thousand and less
23 than one hundred fifty thousand inhabitants that maintains both
24 elementary and high school grades under the direction of a single

1 school board;

2 (4) Class IV includes any school district embracing
3 territory having a population of one hundred thousand or more
4 inhabitants with a city of the primary class within the territory
5 of the district that maintains both elementary and high school
6 grades under the direction of a single school board; and

7 (5) Class V includes any school district whose employees
8 participate in a retirement system established pursuant to the
9 Class V School Employees Retirement Act and which embraces
10 territory having a city of the metropolitan class within the
11 territory of the district that maintains both elementary grades and
12 high school grades under the direction of a single school board and
13 any school district with territory in a city of the metropolitan
14 class created pursuant to the Learning Community Reorganization Act
15 and designated as a Class V school district in the reorganization
16 plan. and

17 ~~(6) Class VI includes any school district in this state~~
18 ~~that maintains only a high school, or a high school and grades~~
19 ~~seven and eight or six through eight as provided in section 79-411,~~
20 ~~under the direction of a single school board.~~

21 Sec. 13. Section 79-401, Revised Statutes Cumulative
22 Supplement, 2006, as affected by Referendum 2006, No. 422, is
23 amended to read:

24 79-401 The Legislature finds and declares that orderly
25 and appropriate reorganization of school districts may contribute

1 to the objectives of tax equity, educational effectiveness, and
2 cost efficiency. The Legislature further finds that there is a
3 need for greater flexibility in school reorganization options and
4 procedures. It is the intent of the Legislature to encourage an
5 orderly and appropriate reorganization of school districts. The
6 Legislature establishes as its goals for the reorganization of
7 school districts that:

8 (1) All real property and all elementary and secondary
9 students should be within school systems which offer education in
10 grades kindergarten through twelve; ~~For purposes of meeting this~~
11 ~~goal, Class I and Class VI school district combinations shall be~~
12 ~~considered as including all real property and all elementary and~~
13 ~~secondary students within a school district which offers education~~
14 ~~in kindergarten through grade twelve;~~

15 (2) School districts offering education in kindergarten
16 through grade twelve should be encouraged, when possible, to
17 consider cooperative programs in order to enhance educational
18 opportunities to students; and

19 (3) The State Department of Education in conjunction
20 with the Bureau of Educational Research and Field Studies in
21 the Department of Education Administration at the University of
22 Nebraska-Lincoln should be encouraged to offer greater technical
23 assistance to school districts which are considering reorganization
24 options.

25 Sec. 14. Section 79-402, Revised Statutes Cumulative

1 Supplement, 2006, as affected by Referendum 2006, No. 422, is
2 amended to read:

3 79-402 (1) By July 1, 1993, all taxable property and
4 all elementary and high school students shall be in school systems
5 which offer education in grades kindergarten through twelve. For
6 purposes of meeting such requirement, a ~~Class I district or portion~~
7 ~~thereof which is part of a Class VI district and a Class I district~~
8 or portion thereof affiliated with one or more Class II, III, IV,
9 or V districts shall be considered to include all taxable property
10 and all elementary and high school students within a school system
11 which offers education in grades kindergarten through twelve.

12 (2) Effective July 1, 1993, with the full implementation
13 of section 79-1077, the Legislature will have attained its school
14 reorganization goals for Class I districts as described in section
15 79-401.

16 Sec. 15. Section 79-403, Revised Statutes Cumulative
17 Supplement, 2006, as affected by Referendum 2006, No. 422, is
18 amended to read:

19 79-403 ~~(1)~~ Except as provided in subsections ~~(2)~~ and
20 ~~(3)~~ of this section, sections 1 to 8 of this act, no new school
21 district shall be created unless such district provides instruction
22 in kindergarten through grade twelve.

23 ~~(2)~~ A new Class VI school district may be created if:

24 ~~(a)~~ Such Class VI school district will include at least
25 ~~two or more previously existing Class II or Class III school~~

1 districts, except that if a reorganization petition for formation
2 of a Class VI school district is initiated by a petition signed by
3 fifty-five percent of the legal voters of a Class II or III school
4 district, then such Class VI school district may include only one
5 Class II or III school district, and

6 (b) The enrollment of the new Class VI school district
7 is (i) at least one hundred twenty-five pupils if the district
8 offers instruction in grades nine through twelve, (ii) at least one
9 hundred seventy-five pupils if the district offers instruction in
10 grades seven through twelve, or (iii) at least two hundred students
11 if the district offers instruction in grades six through twelve,
12 except that if such district will have population density of less
13 than three persons per square mile, then the enrollment shall be
14 at least seventy-five students if the district offers instruction
15 in grades nine through twelve, at least one hundred students if
16 the district offers instruction in grades seven through twelve, or
17 at least one hundred twenty-five students if the district offers
18 instruction in grades six through twelve.

19 (3) One or more new Class I districts may be created as
20 a part of a reorganization petition pursuant to subsection (2) of
21 this section.

22 Sec. 16. Section 79-413, Revised Statutes Cumulative
23 Supplement, 2006, as affected by Referendum 2006, No. 422, is
24 amended to read:

25 79-413 (1) The State Committee for the Reorganization of

1 School Districts created under section 79-435 may create a new
2 Class II, III, or IV school district from other districts, or
3 change the boundaries of any Class II, III, or IV district that
4 is not a member of a learning community, or affiliate a Class I
5 district or portion thereof with one or more existing Class II,
6 III, IV, or V districts upon receipt of petitions signed by sixty
7 percent of the legal voters of each district affected. If the
8 petitions contain signatures of at least sixty-five percent of the
9 legal voters of each district affected, the state committee shall
10 approve the petitions. When area is added to a Class VI district
11 or when a Class I district which is entirely or partially within a
12 Class VI district is taken from the Class VI district, the Class VI
13 district shall be deemed to be an affected district.

14 Any petition of the legal voters of a Class I district
15 in which no city or village is situated which is commenced after
16 January 1, 1996, and proposes the dissolution of the Class I
17 district and the attachment of a portion of it to two or more
18 districts shall require signatures of more than fifty percent of
19 the legal voters of such Class I district. If the state committee
20 determines that such petition contains valid signatures of more
21 than fifty percent of the legal voters of such Class I district,
22 the state committee shall grant the petition.

23 ~~(2)(a)~~ Petitions proposing to change the boundaries of
24 existing school districts that are not members of a learning
25 community through the transfer of a parcel of land, not to exceed

1 six hundred forty acres, shall be approved by the state committee
2 when the petitions involve the transfer of land between Class I,
3 II, III, or IV school districts or when there would be an exchange
4 of parcels of land between Class I, II, III, or IV school districts
5 and the petitions have the approval of at least sixty-five percent
6 of the school board of each affected district. If the transfer of
7 the parcel of land is from a Class I school district to one or more
8 Class II, III, IV, V, or VI school districts of which the parcel is
9 not a part or with which the parcel is not affiliated, any Class
10 II, III, IV, V, or VI school district of which the parcel is not
11 a part or with which the parcel is affiliated shall be deemed an
12 affected district.

13 (b) The state committee shall not approve a change of
14 boundaries pursuant to this section relating to affiliation of
15 school districts if twenty percent or more of any tract of land
16 under common ownership which is proposing to affiliate is not
17 contiguous to the high school district with which affiliation is
18 proposed unless (i) one or more resident students of the tract of
19 land under common ownership has attended the high school program of
20 the high school district within the immediately preceding ten-year
21 period or (ii) approval of the petition or plan would allow
22 siblings of such resident students to attend the same school as the
23 resident students attended.

24 (3)(a) (2)(a) Petitions proposing to create a new Class
25 II, III, or IV school district, or to change the boundary lines of

1 existing Class II, III, or IV school districts that are not members
2 of a learning community, ~~to create an affiliated school system, or~~
3 ~~to affiliate a Class I district in part and to join such district~~
4 ~~in part with a Class VI district, any either of which involves the~~
5 transfer of more than six hundred forty acres, shall, when signed
6 by at least sixty percent of the legal voters in each district
7 affected, be submitted to the state committee. ~~In the case of a~~
8 ~~petition for affiliation or a petition to affiliate in part and in~~
9 ~~part to join a Class VI district, the state committee shall review~~
10 ~~the proposed affiliation subject to sections 79-425 and 79-426.~~
11 The state committee shall, within forty days after receipt of the
12 petition, hold one or more public hearings and review and approve
13 or disapprove such proposal.

14 (b) The state committee shall also review and approve or
15 disapprove incentive payments under section 79-1010.

16 (c) If there is a bond election to be held in conjunction
17 with the petition, the state committee shall hold the petition
18 until the bond election has been held, during which time names may
19 be added to or withdrawn from the petitions. The results of the
20 bond election shall be certified to the state committee.

21 (d) If the bond election held in conjunction with the
22 petition is unsuccessful, no further action on the petition is
23 required. If the bond election is successful, within fifteen days
24 after receipt of the certification of the bond election results,
25 the state committee shall approve the petition and notify the

1 county clerk to effect the changes in district boundary lines as
2 set forth in the petitions.

3 ~~(4)~~ (3) Any person adversely affected by the changes made
4 by the state committee may appeal to the district court of any
5 county in which the real estate or any part thereof involved in
6 the dispute is located. If the real estate is located in more than
7 one county, the court in which an appeal is first perfected shall
8 obtain jurisdiction to the exclusion of any subsequent appeal.

9 ~~(5)~~ (4) A signing petitioner may withdraw his or her name
10 from a petition and a legal voter may add his or her name to
11 a petition at any time prior to the end of the period when the
12 petition is held by the state committee. Additions and withdrawals
13 of signatures shall be by notarized affidavit filed with the state
14 committee.

15 Sec. 17. Section 79-415, Revised Statutes Cumulative
16 Supplement, 2006, as affected by Referendum 2006, No. 422, is
17 amended to read:

18 79-415 ~~(1)~~ In addition to the petitions of legal voters
19 pursuant to section 79-413, changes in boundaries and the creation
20 of a new Class II, III, or IV school district from other districts
21 may be initiated and accepted by the school board or board of
22 education of any district that is not a member of a learning
23 community.

24 ~~(2)~~ In addition to the petitions of legal voters pursuant
25 to section 79-413, the affiliation of a Class I district or portion

1 ~~thereof with one or more Class II, III, IV, or V districts may be~~
2 ~~initiated and accepted by:~~

3 ~~(a) The board of education of any Class II, III, IV, or V~~
4 ~~district, and~~

5 ~~(b) The school board of any Class I district in which is~~
6 ~~located a city or incorporated village.~~

7 Sec. 18. Section 79-416, Revised Statutes Cumulative
8 Supplement, 2006, as affected by Referendum 2006, No. 422, is
9 amended to read:

10 79-416 When the legal voters of a Class I or Class
11 II school district that is not a member of a learning community
12 and in which no city or village is located petition to merge in
13 whole or in part with a Class I or Class II district, the merger
14 may be accepted by petition of the school board of the accepting
15 district. When the legal voters of a Class I district petition
16 to affiliate in whole or in part with one or more Class II, III,
17 IV, or V districts, such affiliation may be accepted or rejected
18 by petition of the school board or board of education of any such
19 district, but in either case the petition to affiliate shall be
20 accepted or rejected within sixty days after the date of receipt
21 of the petition by the school board or board of education of such
22 district.

23 Sec. 19. Section 79-418, Revised Statutes Cumulative
24 Supplement, 2006, as affected by Referendum 2006, No. 422, is
25 amended to read:

1 79-418 Petitions presented pursuant to sections 79-415
2 ~~to 79-417~~ and 79-416 shall be subject to the same requirements
3 for content, hearings, notice, review, and appeal as petitions
4 submitted pursuant to section 79-413, except that a petition
5 presented pursuant to section 79-415 shall not become effective
6 unless it is approved by a vote of a majority of the members of
7 the State Committee for the Reorganization of School Districts. Any
8 person adversely affected by the disapproval shall have the right
9 of appeal under section 79-413.

10 Sec. 20. Section 79-419, Revised Statutes Cumulative
11 Supplement, 2006, as affected by Referendum 2006, No. 422, is
12 amended to read:

13 79-419 (1) When a Class II, III, or IV new district is to
14 be created from other districts as provided in section 79-413, the
15 petition shall contain:

16 (a) A description of the proposed boundaries of the
17 reorganized districts;

18 (b) A summary of the terms on which reorganization is to
19 be made between the reorganized districts, which terms may include
20 a provision for initial school board districts or wards within the
21 proposed district for the appointment of the first school board
22 and also for the first election as provided in section 79-451,
23 which proposed initial school board districts or wards shall be
24 determined by the State Committee for the Reorganization of School
25 Districts taking into consideration population and valuation, and a

1 determination of the terms of the board members first appointed to
2 membership of the board of the newly reorganized district;

3 (c) A map showing the boundaries of established school
4 districts and the boundaries proposed under any plan or plans of
5 reorganization;

6 (d) A separate statement as to whether the reorganization
7 is contingent upon the success of a bond election held in
8 conjunction with the reorganization;

9 (e) An affidavit from the county clerk or election
10 commissioner regarding the validity of the signatures on the
11 petition; and

12 (f) Such other matters as the petitioners determine
13 proper to be included. ~~Any petition for the creation of a new Class~~
14 ~~VI district shall designate whether such district shall include~~
15 ~~high school grades only, grades seven through twelve, or grades six~~
16 ~~through twelve.~~

17 (2) A petition under subsection (1) of this section
18 may contain provisions for the holding of school within existing
19 buildings in the newly reorganized district and that a school
20 constituted under this section shall be maintained from the date of
21 reorganization unless the legal voters served by the school vote by
22 a majority vote for discontinuance of the school.

23 Sec. 21. Section 79-423, Revised Statutes Cumulative
24 Supplement, 2006, as affected by Referendum 2006, No. 422, is
25 amended to read:

1 79-423 In Class I, II, III, and IV, and VI school
2 districts, school district boundaries may comprise all or any part
3 of a precinct or ward in any county or counties, and every legal
4 voter of the school district shall be entitled to vote at any
5 school district meeting or school district election.

6 Sec. 22. Section 79-431, Revised Statutes Cumulative
7 Supplement, 2006, as affected by Referendum 2006, No. 422, is
8 amended to read:

9 79-431 (1) Any Class I school district which ~~is part of a~~
10 ~~Class VI district or districts or any Class I district or portion~~
11 ~~thereof which is affiliated or affiliated in part and also part of~~
12 ~~a Class VI district or districts and which (a) becomes subject to~~
13 ~~dissolution pursuant to section 79-470, 79-498, or 79-598 or (b)~~
14 ~~otherwise dissolves, unless otherwise prescribed in the affiliation~~
15 ~~petition, shall be merged with another affiliated Class I district,~~
16 ~~be merged with a Class II, III, IV, or V district, or be merged~~
17 ~~with a Class I district which is part of a Class VI district~~
18 ~~or districts. Any such district or portion thereof which fails~~
19 ~~to comply with this subsection shall be dissolved and attached~~
20 ~~to an existing Class II, III, IV, or V district the Class II,~~
21 ~~III, or IV district with which the Class I school district is~~
22 ~~affiliated by the State Committee for the Reorganization of School~~
23 ~~Districts, under section 79-498. Any such district or portion~~
24 ~~thereof which was affiliated shall retain its original affiliation,~~
25 ~~and any portion of such district which was part of a Class VI~~

1 district shall remain part of such Class VI district. Any school
2 district which fails to comply with the provisions of subsection
3 ~~(1)~~ of section 79-402 shall be dissolved by the state committee and
4 attached to an existing Class II, III, IV, or V district.

5 (2) A Class II, III, or IV, ~~or V~~ district which becomes
6 a Class I district pursuant to section 79-472 or any other state
7 law shall merge with a Class II, III, IV, or V district, affiliate
8 with ~~one or more~~ a contiguous Class II, III, or IV district.
9 ~~or V districts,~~ become part of one or more Class VI districts,
10 ~~or affiliate in part with one or more Class II, III, IV, or~~
11 ~~V districts and in part become part of one or more Class VI~~
12 ~~districts.~~

13 (3) If an affiliated Class II, III, or IV, ~~or V~~ district
14 dissolves, unless otherwise stated in the affiliation petition,
15 any portions of a any Class I district that are affiliated with
16 such district may affiliate with another Class II, III, IV, or V
17 district, merge with any Class I, II, III, IV, or V district, ~~or~~
18 ~~become part of a Class VI district.~~ shall also be dissolved in the
19 dissolution order of the state committee.

20 ~~(4) If a Class VI district dissolves, any Class I~~
21 ~~district or portions thereof which are part of such district may~~
22 ~~affiliate with a Class II, III, IV, or V district, merge with any~~
23 ~~Class I, II, III, IV, or V district, or become part of another~~
24 ~~Class VI district.~~

25 Sec. 23. Section 79-433, Revised Statutes Cumulative

1 Supplement, 2006, as affected by Referendum 2006, No. 422, is
2 amended to read:

3 79-433 For purposes of the Reorganization of School
4 Districts Act, unless the context otherwise requires:

5 (1) Reorganization of school districts means the
6 formation of new school districts, the alteration of boundaries of
7 established school districts that are not members of a learning
8 community, ~~the affiliation of school districts,~~ and the dissolution
9 or disorganization of established school districts through or by
10 means of any one or combination of the methods set out in section
11 79-434; and

12 (2) State committee means the State Committee for the
13 Reorganization of School Districts created by section 79-435.

14 Sec. 24. Section 79-434, Revised Statutes Cumulative
15 Supplement, 2006, as affected by Referendum 2006, No. 422, is
16 amended to read:

17 79-434 Reorganization of school districts may be
18 accomplished through or by means of any one or more of the
19 following methods: (1) The creation of new districts; (2) the
20 uniting of one or more established districts; (3) the subdivision
21 of one or more established districts; (4) the transfer and
22 attachment to an established district of a part of the territory
23 of one or more districts; and (5) ~~the affiliation of a Class I~~
24 ~~district or portion thereof with one or more Class II, III, IV, or~~
25 ~~V districts;~~ ~~(6) the changing of boundaries of a Class VI district;~~

1 and ~~(7)~~ the dissolution or disorganization of an established
2 district for any of the reasons specified by law.

3 Sec. 25. Section 79-443, Revised Statutes Cumulative
4 Supplement, 2006, as affected by Referendum 2006, No. 422, is
5 amended to read:

6 79-443 After one or more public hearings have been held,
7 the state committee may approve a plan or plans of reorganization.
8 Such plan shall contain:

9 (1) A description of the proposed boundaries of the
10 reorganized districts;

11 (2) A summary of the reasons for each proposed change,
12 realignment, or adjustment of the boundaries; ~~—~~ If such plan
13 provides for the creation of a new Class VI district, it shall
14 designate whether such district shall include high school grades
15 only or be known as a Class VI junior-senior high school district
16 as described in section 79-411;

17 (3) A summary of the terms on which reorganization is to
18 be made between the reorganized districts. Such terms shall include
19 a provision for initial school board districts or wards within the
20 proposed district, which proposed initial school board districts
21 or wards shall be determined by the state committee taking into
22 consideration population and valuation, and a determination of the
23 terms of the board members first appointed to membership on the
24 board of the newly reorganized district;

25 (4) A separate statement as to whether the reorganization

1 is contingent upon the success of a bond election held in
2 conjunction with the reorganization;

3 (5) A statement of the findings with respect to the
4 location of schools, the utilization of existing buildings, the
5 construction of new buildings, and the transportation requirements
6 under the proposed plan of reorganization. The plan may contain
7 provisions for the holding of school within existing buildings in
8 the newly reorganized district and that a school constituted under
9 this section shall be maintained from the date of reorganization
10 unless the legal voters served by the school vote by a majority
11 vote for discontinuance of the school;

12 (6) A map showing the boundaries of established school
13 districts and the boundaries proposed under any plan or plans of
14 reorganization; and

15 (7) Such other matters as the state committee determines
16 proper to be included.

17 Sec. 26. Section 79-447, Revised Statutes Cumulative
18 Supplement, 2006, as affected by Referendum 2006, No. 422, is
19 amended to read:

20 79-447 (1) Not less than thirty nor more than sixty
21 days after the designation of a final approved plan under
22 section 79-446, the proposition of the adoption or rejection
23 of the proposed plan of reorganization shall be submitted at a
24 special election to all the legal voters of districts within the
25 county whose boundaries are in any manner changed by the plan

1 of reorganization, ~~including the boundaries of Class VI school~~
2 ~~districts if such plan includes a Class I school district which is~~
3 ~~entirely within a Class VI school district.~~

4 (2) Notice of the special election shall be given by the
5 county clerk or election commissioner and shall be published in a
6 legal newspaper of general circulation in the county at least ten
7 days prior to the election. The election notice shall (a) state
8 that the election has been called for the purpose of affording
9 the legal voters an opportunity to approve or reject the plan of
10 reorganization, (b) contain a description of the boundaries of the
11 proposed district, and (c) contain a statement of the terms of the
12 adjustment of property, debts, and liabilities applicable thereto.

13 (3) All ballots shall be prepared and the special
14 election shall be held and conducted by the county clerk or
15 election commissioner, and the expense of such election shall
16 be paid by the county board or boards if more than one county
17 is involved as provided in subsection (4) of this section. The
18 county clerk or election commissioner shall use the duly appointed
19 election board or appoint two judges and two clerks who shall be
20 legal voters of the territory of the proposed school district. The
21 election shall be held at a place or places within the proposed
22 district determined by the county clerk or election commissioner to
23 be convenient for the voters.

24 (4) If the proposed plan of reorganization involves a
25 district under the jurisdiction of another county, the county

1 clerk or election commissioner of the county which has the largest
2 number of pupils residing in the proposed joint district shall
3 give the notice required by subsection (2) of this section in a
4 newspaper of general circulation in the territory of the proposed
5 district and prepare the ballots and such election shall be held
6 and conducted by the county clerk or election commissioner of each
7 county involved in the proposed reorganization in accordance with
8 the Election Act. Each county board shall bear a share of the total
9 election expense in the same proportion that the number of legal
10 voters residing in the proposed district in one county stands to
11 the whole number of legal voters in the proposed district.

12 (5) In any election held as provided in this section, all
13 districts of like class shall vote as a unit, except that Class
14 I school districts within the boundaries of which are located an
15 incorporated village or city shall constitute a separate voting
16 unit and Class I school districts which do not have within their
17 boundaries an incorporated village or city shall constitute a
18 separate voting unit.

19 (6) Approval of the plan at the special election shall
20 require a majority of all legal voters voting within each voting
21 unit included in the proposed plan.

22 Sec. 27. Section 79-452, Revised Statutes Cumulative
23 Supplement, 2006, as affected by Referendum 2006, No. 422, is
24 amended to read:

25 79-452 A proposal to dissolve a Class I or II school

1 district, ~~except a Class I school district which is partly or~~
2 ~~wholly within a Class VI school district,~~ and attach it to one or
3 more existing Class II, III, or IV school districts that are not
4 members of a learning community may be initiated by filing with
5 the State Committee for the Reorganization of School Districts a
6 petition or petitions signed by at least twenty-five percent of the
7 legal voters of the district, together with an affidavit from the
8 county clerk or election commissioner listing all legal voters of
9 the district and a determination by the county clerk or election
10 commissioner that the signatures are sufficient. The petition shall
11 contain a plan of the proposed reorganization, an effective date,
12 and a statement whether any existing bonded indebtedness shall
13 remain on the property of the district which incurred it or be
14 assumed by the enlarged district. The petition may also contain
15 provisions for the holding of school within existing buildings
16 in the proposed reorganized district, and when so provided, the
17 holding of school within such buildings shall be maintained from
18 the date of reorganization unless either the legal voters served by
19 the school or the school board of the reorganized district votes
20 by a majority vote for discontinuance of the school. In case of
21 conflicting votes between the legal voters and the school board
22 on such issue, the decision of the legal voters shall prevail.
23 A signing petitioner shall not be permitted to withdraw his or
24 her name from the petition after the petition has been filed.
25 The school board of each Class II, III, or IV district to which

1 the merger is proposed shall also submit to the state committee
2 a statement to the effect that a majority of the board members
3 approve the proposal contained in the petition.

4 Sec. 28. Section 79-454, Revised Statutes Cumulative
5 Supplement, 2006, as affected by Referendum 2006, No. 422, is
6 amended to read:

7 79-454 If the proposal provided for in section 79-452
8 has been approved by the State Committee for the Reorganization
9 of School Districts, the state committee shall notify the school
10 board of the Class I ~~or~~ II district. The school board shall, within
11 fifteen days after the notification, set a date for a special
12 election for the purpose of submitting the proposal to the legal
13 voters of the district. At least twenty days' notice of such
14 election shall be given by publication twice in a newspaper of
15 general circulation in the district, the latest publication to be
16 not more than one week before the election. If there is no such
17 newspaper, notice shall be given by posting it on the door of the
18 schoolhouse and at least four other public places throughout the
19 district. The proposal shall not be submitted to a special election
20 more than once in any calendar year. Legal voters may cast their
21 ballots, written or printed, between the hours of 12 noon and 8
22 p.m. on the date of such election. The county clerk or election
23 commissioner of the county which has the largest number of pupils
24 residing in the district shall conduct such special election in
25 accordance with the Election Act and shall record the names and

1 residence of persons voting at the special election. The ballots
2 shall be canvassed as provided in section 79-447.

3 Sec. 29. Section 79-455, Revised Statutes Cumulative
4 Supplement, 2006, as affected by Referendum 2006, No. 422, is
5 amended to read:

6 79-455 If the proposal provided for in section 79-452 is
7 approved by a majority of the legal voters of the school district
8 voting on the matter, the secretary of the school board shall
9 within five days certify the approval to the county clerk. The
10 county clerk shall immediately notify the secretary of each Class
11 II, III, IV, or V district affected of the action taken by the
12 Class ~~I~~ ~~or~~ II district, and such secretary shall within ten days
13 certify to the county clerk that the school board of the Class II,
14 III, IV, or V district has, by a majority vote, officially approved
15 the proposal as provided in section 79-452. The county clerk shall
16 issue an order effecting the changes in school district boundaries
17 in accordance with the proposal provided in section 79-452. He or
18 she shall also file certificates with the county assessor, county
19 treasurer, and State Committee for the Reorganization of School
20 Districts showing the changes. An appeal may be taken from such
21 order within twenty days after the rendition of the order in the
22 same manner as appeals are taken from the action of the county
23 board in allowing or disallowing claims against the county. Such
24 appeal shall be filed in the district court for the county whose
25 county clerk has jurisdiction of the Class ~~I~~ ~~or~~ II district. When

1 more than one county clerk has jurisdiction of the Class I ~~or~~ II
2 district, the appeal may be filed in the district court for either
3 of the counties.

4 Sec. 30. Section 79-470, Revised Statutes Cumulative
5 Supplement, 2006, as affected by Referendum 2006, No. 422, is
6 amended to read:

7 79-470 (1) No Class I school district ~~which contracts~~
8 shall contract for the instruction of all of its pupils, ~~with a~~
9 ~~Class I, II, III, IV, or V school district shall merge with another~~
10 ~~Class I school district unless such other Class I school district~~
11 ~~with which it is merging is included in the area which makes up a~~
12 ~~Class VI school district.~~

13 (2) No Class II, III, IV, or V school district shall
14 contract for the instruction of all of its pupils with a Class II,
15 III, IV, or V school district for more than two consecutive years.

16 (3) The State Committee for the Reorganization of School
17 Districts shall dissolve and attach to a neighboring school
18 district or districts any Class II, III, or IV school district
19 which, for two consecutive years, contracts for the instruction of
20 all of its pupils with a Class II, III, IV, or V school district.

21 (4) The dissolution of any school district pursuant to
22 this section shall be effected in the manner prescribed in section
23 79-498. When such dissolution would create extreme hardships on
24 the pupils or the school district affected, the State Board of
25 Education may, on application by the school board of the school

1 district, waive the dissolution of the school district on an annual
2 basis.

3 (5) Nothing in this section shall be construed as an
4 extension of the limitations on contracting for the instruction of
5 the pupils of a school district contained in section 79-598.

6 Sec. 31. Section 79-472, Revised Statutes Cumulative
7 Supplement, 2006, as affected by Referendum 2006, No. 422, is
8 amended to read:

9 79-472 (1) (a) If a Class II school district, by a vote
10 of fifty-five percent of the legal voters voting at a special
11 meeting, decides to discontinue and close the high school, the
12 school district shall become an affiliated Class I school district
13 on the date designated by such legal voters. ~~Affiliation shall~~
14 ~~be accomplished pursuant to sections 79-413 to 79-427.~~ At such
15 meeting a decision shall be made as to when the new school board
16 shall be elected and whether the board shall consist of three
17 members or six members. No new Class I school district shall
18 establish a six-member board unless the school district contains
19 a minimum of one hundred fifty children who are five through
20 twenty years of age. The school board of the existing Class
21 II school district shall remain in office until the effective
22 date for the formation of the new Class I school district. The
23 school board of the Class II school district shall notify the
24 State Committee for the Reorganization of School Districts of such
25 actions within thirty days after the vote. The state committee

1 shall, within sixty days after receiving such notification, issue
2 an order reclassifying such Class II school district as a Class I
3 school district, affiliating the new Class I school district with a
4 Class II, III, or IV school district with which the Class I school
5 district is contiguous, and designating the effective date of the
6 reclassification.

7 (b) If the new school board is to consist of three
8 members, such members shall be elected at the time of the vote
9 to change from a Class II school district to a Class I school
10 district or at a special meeting held not less than thirty days
11 prior to the effective date of the change from a Class II school
12 district to a Class I school district. At the special meeting, a
13 treasurer shall be elected for a term of one year, a secretary for
14 a term of two years, and a president for a term of three years, and
15 their successors shall be elected for terms of three years each.
16 All officers so elected shall hold their offices until successors
17 are elected and qualified. After such change becomes effective,
18 the school district and its officers shall have the powers of and
19 be governed by the provisions of law applicable to Class I school
20 districts.

21 (c) If the new school board is to consist of six members,
22 such members shall be elected after the vote to change from a Class
23 II school district to a Class I school district. The procedure for
24 electing board members shall be as prescribed in section 32-541 or
25 as prescribed in subsection (3) of section 79-565, except that such

1 election may be held at any annual school meeting or at a special
2 school meeting called for the purpose of electing school district
3 officers.

4 (2) No school district may change from Class I to Class
5 II unless that school district has an enrollment of not less than
6 one hundred pupils in grades nine through twelve. This subsection
7 shall not apply to any school district located on an Indian
8 reservation and substantially or totally financed by the federal
9 government.

10 Sec. 32. Section 79-473, Revised Statutes Cumulative
11 Supplement, 2006, as affected by Referendum 2006, No. 422, is
12 amended to read:

13 79-473 (1) If the territory annexed by a change of
14 boundaries of a city or village which lies within a Class III
15 school district as provided in section 79-407 has been part of a
16 Class IV or Class V school district prior to such annexation, a
17 merger of the annexed territory with the Class III school district
18 shall become effective only if the merger is approved by a majority
19 of the members of the school board of the Class IV or V school
20 district and a majority of the members of the school board of the
21 Class III school district within ninety days after the effective
22 date of the annexation ordinance, except that a merger shall not
23 become effective pursuant to this section if such merger involves a
24 school district that is a member of a learning community.

25 (2) Notwithstanding subsection (1) of this section, when

1 territory which lies within a Class III school district, ~~Class VI~~
2 ~~school district, or Class I school district which is attached to a~~
3 ~~Class VI school district~~ or which does not lie within a Class IV
4 or V school district is annexed by a city or village pursuant to
5 section 79-407, the affected school board of the city or village
6 school district and the affected school board or boards serving
7 the territory subject to the annexation ordinance shall meet within
8 thirty days after the effective date of the annexation ordinance
9 if neither school district is a member of a learning community and
10 negotiate in good faith as to which school district shall serve the
11 annexed territory and the effective date of any transfer. During
12 the process of negotiation, the affected boards shall consider the
13 following criteria:

14 (a) The educational needs of the students in the affected
15 school districts;

16 (b) The economic impact upon the affected school
17 districts;

18 (c) Any common interests between the annexed or platted
19 area and the affected school districts and the community which has
20 zoning jurisdiction over the area; and

21 (d) Community educational planning.

22 If no agreement has been reached within ninety days after
23 the effective date of the annexation ordinance, the territory shall
24 transfer to the school district of the annexing city or village
25 ten days after the expiration of such ninety-day period unless an

1 affected school district petitions the district court within the
2 ten-day period and obtains an order enjoining the transfer and
3 requiring the boards of the affected school districts to continue
4 negotiation. The court shall issue the order upon a finding that
5 the affected board or boards have not negotiated in good faith
6 based on one or more of the criteria listed in this subsection. The
7 district court shall require no bond or other surety as a condition
8 for any preliminary injunctive relief. If no agreement is reached
9 after such order by the district court and additional negotiations,
10 the annexed territory shall become a part of the school district of
11 the annexing city or village.

12 ~~(3) If, within the boundaries of the annexed territory,~~
13 ~~there exists a Class VI school, the school building, facilities,~~
14 ~~and land owned by the school district shall remain a part of~~
15 ~~the Class VI school district. If the Class VI school district~~
16 ~~from which territory is being annexed wishes to dispose of such~~
17 ~~school building, facilities, or land to any individual or political~~
18 ~~subdivision, including a Class I school district, the question of~~
19 ~~such disposition shall be placed on the ballot for the next primary~~
20 ~~or general election. All legal voters of such Class VI school~~
21 ~~district shall then vote on the question at such election. A simple~~
22 ~~majority of the votes cast shall resolve the issue.~~

23 ~~(4) (3) Whenever an application for approval of a final~~
24 ~~plat or replat is filed for territory which lies within the zoning~~
25 ~~jurisdiction of a city of the first or second class and does not~~

1 lie within the boundaries of a Class IV or V school district, the
2 boundaries of a school district that is a member of a learning
3 community, the boundaries of any county in which a city of the
4 metropolitan class is located, or the boundaries of any county that
5 has a contiguous border with a city of the metropolitan class, the
6 affected school board of the school district within the city of
7 the first or second class or its representative and the affected
8 board or boards serving the territory subject to the final plat or
9 replat or their representative shall meet within thirty days after
10 such application and negotiate in good faith as to which school
11 district shall serve the platted or replatted territory and the
12 effective date of any transfer based upon the criteria prescribed
13 in subsection (2) of this section.

14 If no agreement has been reached prior to the approval
15 of the final plat or replat, the territory shall transfer to the
16 school district of the city of the first or second class upon
17 the filing of the final plat unless an affected school district
18 petitions the district court within ten days after approval of the
19 final plat or replat and obtains an order enjoining the transfer
20 and requiring the affected boards to continue negotiation. The
21 court shall issue the order upon a finding that the affected board
22 or boards have not negotiated in good faith based on one or more of
23 the criteria listed in subsection (2) of this section. The district
24 court shall require no bond or other surety as a condition for
25 any preliminary injunctive relief. If no agreement is reached after

1 such order by the district court and additional negotiations, the
2 platted or replatted territory shall become a part of the school
3 district of the city of the first or second class.

4 For purposes of this subsection, plat and replat apply
5 only to (a) vacant land, (b) land under cultivation, or (c) any
6 plat or replat of land involving a substantive change in the size
7 or configuration of any lot or lots.

8 ~~(5)~~ (4) Notwithstanding any other provisions of this
9 section, all negotiated agreements relative to boundaries or to
10 real or personal property of school districts reached by the
11 affected school boards shall be valid and binding, except that such
12 agreements shall not be binding on reorganization plans pursuant to
13 the Learning Community Reorganization Act.

14 Sec. 33. Section 79-479, Revised Statutes Cumulative
15 Supplement, 2006, as affected by Referendum 2006, No. 422, is
16 amended to read:

17 79-479 ~~(1)(a)~~ Beginning January 1, 1992, any (1) Any
18 school district boundaries changed by the means provided by
19 Nebraska law, but excluding the method provided by sections 79-407
20 and 79-473 to 79-475, shall be made only upon an order issued by
21 the State Committee for the Reorganization of School Districts or
22 county clerk. ~~The state committee shall not issue an order changing~~
23 ~~boundaries relating to affiliation of school districts if twenty~~
24 ~~percent or more of any tract of land under common ownership which~~
25 ~~is proposing to affiliate is not contiguous to the high school~~

1 ~~district with which affiliation is proposed unless (i) one or more~~
2 ~~resident students of the tract of land under common ownership has~~
3 ~~attended the high school program of the high school district within~~
4 ~~the immediately preceding ten-year period or (ii) approval of the~~
5 ~~petition or plan would allow siblings of such resident students~~
6 ~~to attend the same school as the resident students attended.~~(b)
7 The order issued by the state committee shall be certified to
8 the county clerk of each county in which boundaries are changed
9 and shall also be certified to the State Department of Education.
10 Whenever the order changes the boundaries of a school district
11 due to the transfer of land, the county assessor, the Property
12 Tax Administrator, and the State Department of Education shall be
13 provided with the legal description and a map of the parcel of
14 land which is transferred. Such order shall be issued no later
15 than June 1 and shall have an effective date no later than August
16 1 of the same year. For purposes of determining school district
17 counts pursuant to sections 79-524 and 79-578 and calculating
18 state aid allocations pursuant to the Tax Equity and Educational
19 Opportunities Support Act, any change in school district boundaries
20 with an effective date between June 1 and August 1 of any year
21 shall be considered effective July 1 of such year.

22 (2) Unless otherwise provided by section 5 of this act
23 or other state law or by the terms of an affiliation or a
24 reorganization plan or petition which is consistent with state
25 law, all assets, including budget authority as provided in sections

1 79-1023 to 79-1030, and liabilities, except bonded obligations, of
2 school districts merged, dissolved, or annexed shall be transferred
3 to the receiving district or districts on the basis of the
4 proportionate share of assessed valuation received at the time of
5 reorganization. When a Class II, III, or IV, ~~or V~~ school district
6 becomes a Class I school district, ~~(a) Which becomes part of a~~
7 ~~Class VI district which offers instruction in grades six through~~
8 ~~twelve, 37.9310 percent of the Class II, III, IV, or V district's~~
9 ~~assets and liabilities shall be transferred to the new Class I~~
10 ~~district and the remainder shall be transferred to the Class VI~~
11 ~~district or districts of which the Class I district becomes a part~~
12 ~~on the basis of the proportionate share of assessed valuation each~~
13 ~~high school district received at the time of such change in class~~
14 ~~of district;~~ (b) Which becomes part of a Class VI district which
15 offers instruction in grades seven through twelve, 44.8276 percent
16 of the Class II, III, IV, or V district's assets and liabilities
17 shall be transferred to the new Class I district and the remainder
18 shall be transferred to the Class VI district or districts of
19 which the Class I district becomes a part on the basis of the
20 proportionate share of assessed valuation each high school district
21 received at the time of such change in class of district; ~~or~~ (c)
22 Which is affiliated ~~or~~ becomes part of a Class VI district which
23 offers instruction in grades nine through twelve, 61.3793 percent
24 of the Class II, III, or IV, ~~or V~~ school district's assets and
25 liabilities shall be transferred to the new Class I district and

1 the remainder shall be transferred to the Class VI district ~~or~~
 2 ~~districts of which the Class I district becomes a part and to the~~
 3 high school district ~~or districts~~ with which the Class I district
 4 is affiliated, ~~on the basis of the proportionate share of assessed~~
 5 ~~valuation each high school district received at the time of such~~
 6 ~~change in class of district.~~

7 Sec. 34. Section 79-494, Revised Statutes Cumulative
 8 Supplement, 2006, as affected by Referendum 2006, No. 422, is
 9 amended to read:

10 79-494 Every new Class I or Class II school district
 11 described in section 79-492 shall be deemed duly organized when
 12 the majority of the officers elected at the first meeting have
 13 filed their acceptance as provided in section 79-493. A reorganized
 14 school district shall be formed, organized, and have a governing
 15 board not later than April 1 following the last legal action,
 16 as prescribed in section 79-413, 79-450, or 79-455, necessary to
 17 effect the changes in boundaries as set forth in the petition or
 18 plan of reorganization, issuance of an order by the State Committee
 19 for the Reorganization of School Districts pursuant to section 5 of
 20 this act, although the physical reorganization of such reorganized
 21 school district may not take effect until the commencement of the
 22 following school year.

23 Sec. 35. Section 79-495, Revised Statutes Cumulative
 24 Supplement, 2006, as affected by Referendum 2006, No. 422, is
 25 amended to read:

1 79-495 In case the inhabitants of any new Class I ~~or~~
2 ~~Class II~~ school district referred to in section 79-492 fail to
3 organize it, the State Committee for the Reorganization of School
4 Districts shall immediately dissolve such district and attach it to
5 an adjoining district or districts, the affiliated Class II, III,
6 or IV school district.

7 Sec. 36. Section 79-498, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-498 When, for a period of one school term, a school
10 district (1) has less than three legal voters residing in the
11 district or (2)(a) fails to maintain a public elementary school
12 within the district in which are enrolled and in regular attendance
13 for at least one thousand thirty-two hours one or more pupils of
14 school age residing in the district, other than option students
15 as defined in section 79-233, or (b) does not contract for the
16 tuition and transportation of pupils of such district with another
17 district or districts and have pupils attending school regularly
18 for at least one thousand thirty-two hours under such contract or
19 contracts, the State Committee for the Reorganization of School
20 Districts shall, subject to the requirements of this section,
21 dissolve such district and attach the territory of such district
22 to one or more neighboring school districts. Before dissolving a
23 district under this section, the state committee shall fix a time
24 for a hearing and shall notify each legal resident of the district
25 at least fifteen days before such hearing. When the dissolution

1 will create extreme hardships on the pupils of the district
2 affected, the State Board of Education may, on application by the
3 school board of the district, annually waive the requirements of
4 this section. Notification shall be by mail or by publication in a
5 newspaper of general circulation in the area.

6 If the state committee finds that the district is
7 required by this section to be dissolved, it shall enter an
8 order dissolving the district and directing the county clerk of the
9 county in which such district is located to attach the territory
10 of such district to one or more neighboring school districts. If
11 the district required by this section to be dissolved is a Class I
12 school district, the territory of such district shall be attached
13 to the Class II, III, or IV school district with which the Class
14 I school district is affiliated. Appeals from the action of the
15 state committee may be made to the district court of the county
16 in which the depopulated district is located. The county treasurer
17 shall distribute the assets of the closed district among the other
18 district or districts to which the property has been attached in
19 proportion to the taxable valuation of the property attached to
20 such district or districts.

21 Sec. 37. Section 79-4,100, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-4,100 For purposes of statutes governing schools:

24 (1) Affiliated school system means the high school
25 district and the Class I districts or portions of Class I districts

1 affiliated with such high school district; and

2 (2) Affiliation or affiliation of school districts means
 3 an ongoing association of a Class I district ~~or portion thereof~~
 4 ~~not a part of a Class VI district with one or more existing Class~~
 5 ~~II, III, IV, or V districts~~ with an existing Class II, III, or IV
 6 district for the purpose of (a) providing a high school program
 7 serving the Class I district students and (b) maintaining tax
 8 support to finance such program. The services provided may include
 9 student transportation. and

10 ~~(3) Class VI school system means a Class VI school~~
 11 ~~district and each Class I school district or portion thereof which~~
 12 ~~is part of the Class VI district.~~

13 Sec. 38. Section 79-4,101, Revised Statutes Cumulative
 14 Supplement, 2006, as affected by Referendum 2006, No. 422, is
 15 amended to read:

16 79-4,101 For purposes of sections 10-716.01, 79-402,
 17 79-422, ~~79-424 to~~ 79-431, 79-449, 79-4,100 to 79-4,102, 79-611, and
 18 79-1077:

19 (1) Elementary school facility means the educational
 20 facility used to provide services for students in grades
 21 kindergarten through eight in an affiliated school system;

22 (2) High school district means the Class II, III, or
 23 ~~IV, or V~~ district which provides the high school program for an
 24 affiliated Class I district;

25 (3) High school facility means the educational facility

1 used to provide services for students in grades nine through twelve
2 in an affiliated school system;

3 (4) High school program means the educational services
4 provided in an affiliated school system for grades nine through
5 twelve; and

6 (5) High school students means students enrolled in a
7 high school program.

8 Sec. 39. Section 79-4,103, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-4,103 An advisory committee shall be created for each
11 affiliated high school district. The advisory committee shall be
12 composed of three school board members selected by all the school
13 board members of the Class I school districts with which such Class
14 II, III, or IV, ~~or V~~ district is affiliated. The superintendent of
15 the affiliated high school district shall call a meeting of all the
16 school board members of such Class I school districts, ~~not a part~~
17 ~~of a Class VI school district~~, for the purpose of establishing such
18 advisory committees. Representatives shall serve three-year terms.

19 The advisory committee shall provide advice and
20 communication to the school board of such affiliated high school
21 district regarding the high school program, facilities, and budget
22 and the needs and concerns of students, parents, and taxpayers
23 in the Class I school district or districts. Each advisory
24 committee shall meet at least biannually with the school board
25 and participate in good faith in those coordination requirements

1 specified in section 79-716.

2 Sec. 40. Section 79-501, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-501 The school board or board of education of a Class
5 I, II, III, or IV, ~~or VI~~ school district shall have the care and
6 custody of the schoolhouse and other property of the district and
7 shall have authority to hire a superintendent and the required
8 number of teachers and other necessary personnel.

9 Sec. 41. Section 79-502, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-502 The school board or board of education of any
12 Class I, II, III, or IV, ~~or VI~~ school district may provide
13 its members with hospitalization, medical, surgical, accident,
14 sickness, or term life insurance coverage or any one or more of
15 such coverages.

16 Sec. 42. Section 79-524, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-524 The school board of any Class I, II, III, or IV,
19 ~~or VI~~ school district shall establish a permanent and continuing
20 census or enumeration of school children in the school district.
21 The list in writing of the names of the children and taxpayers
22 shall not be required to be reported, but the names of all
23 of the children belonging to such school district, from birth
24 through twenty years of age, shall instead be kept in a depository
25 maintained by such school district and subject to inspection at all

1 times. Such record shall not or need not include the names of all
2 the taxpayers in the district.

3 Sec. 43. Section 79-525, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-525 The school board or board of education of a Class
6 I, II, III, or IV ~~or VI~~ school district shall (1) provide the
7 necessary appendages for the schoolhouse, (2) keep the same in
8 good condition and repair during the time school is taught in
9 the schoolhouse, and (3) keep an accurate account of all expenses
10 incurred. Such account shall be prepared by the secretary, audited
11 by the president and treasurer, and, on their written order, paid
12 out of the general school fund.

13 Sec. 44. Section 79-526, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-526 The school board or board of education of a Class
16 I, II, III, or IV ~~or VI~~ school district has responsibility for the
17 general care and upkeep of the schools, shall provide the necessary
18 supplies and equipment, and, except as otherwise provided, has the
19 power to cause pupils to be taught in such branches and classified
20 in such grades or departments as may seem best adapted to a course
21 of study which the board shall establish with the consent and
22 advice of the State Department of Education. The board shall make
23 provision for pupils that may enter at any time during the school
24 year. The board shall have a record kept of the advancement of all
25 pupils in each branch of study. The board shall make rules and

1 regulations as it deems necessary for the government and health of
2 the pupils and devise any means as may seem best to secure the
3 regular attendance and progress of children at school.

4 Sec. 45. Section 79-528, Revised Statutes Cumulative
5 Supplement, 2006, is amended to read:

6 79-528 (1)(a) On or before July 20 in all school
7 districts, the superintendent or head administrator shall file
8 with the State Department of Education a report under oath showing
9 the number of children from five through eighteen years of age
10 belonging to the school district according to the census taken as
11 provided in sections 79-524 and 79-578. The report shall identify
12 the number of boys and the number of girls in each of the
13 respective age categories. On or before July 20, school districts
14 that are members of learning communities shall provide the learning
15 community coordinating council with a copy of the report filed
16 with the department. On or before August 1, each learning community
17 coordinating council shall file with the department a report
18 showing the number of children from five through eighteen years
19 of age belonging to the member school districts according to the
20 school district reports filed with the department.

21 ~~(b) Each Class I school district which is part of a Class~~
22 ~~VI school district offering instruction (i) in grades kindergarten~~
23 ~~through five shall report children from five through ten years~~
24 ~~of age, (ii) in grades kindergarten through six shall report~~
25 ~~children from five through eleven years of age, and (iii) in grades~~

1 kindergarten through eight shall report children from five through
2 thirteen years of age.

3 ~~(c)~~ Each Class VI school district offering instruction
4 ~~(i)~~ in grades six through twelve shall report children who are
5 eleven through eighteen years of age, ~~(ii)~~ in grades seven through
6 twelve shall report children who are twelve through eighteen years
7 of age, and ~~(iii)~~ in grades nine through twelve children who are
8 fourteen through eighteen years of age.

9 ~~(d)~~ (b) Each Class I district which has affiliated in
10 whole or in part shall report children from five through thirteen
11 years of age.

12 ~~(e)~~ (c) Each Class II, III, IV, or V district shall
13 report children who are fourteen through eighteen years of age
14 residing in Class I districts or portions thereof which have
15 affiliated with such district.

16 ~~(f)~~ (d) The board of any district neglecting to take and
17 report the enumeration shall be liable to the school district for
18 all school money which such district may lose by such neglect.

19 (2) On or before June 30 the superintendent or head
20 administrator of each school district shall file with the
21 Commissioner of Education a report under oath described as an
22 end-of-the-school-year annual statistical summary showing (a) the
23 number of children attending school during the year under five
24 years of age, (b) the length of time the school has been taught
25 during the year by a qualified teacher, (c) the length of time

1 taught by each substitute teacher, and (d) such other information
2 as the Commissioner of Education directs. On or before June 30,
3 school districts that are members of learning communities shall
4 also provide the learning community coordinating council with a
5 copy of the report filed with the commissioner. On or before July
6 15, each learning community coordinating council shall file with
7 the commissioner a report showing the number of children from
8 five through eighteen years of age belonging to the member school
9 districts according to the school district reports filed with the
10 commissioner.

11 (3) (a) On or before November 1 the superintendent or
12 head administrator of each school district shall submit to the
13 Commissioner of Education, to be filed in his or her office, a
14 report under oath described as the annual financial report showing
15 (i) the amount of money received from all sources during the year
16 and the amount of money expended by the school district during
17 the year, (ii) the amount of bonded indebtedness, (iii) such other
18 information as shall be necessary to fulfill the requirements
19 of the Tax Equity and Educational Opportunities Support Act
20 and section 79-1114, and (iv) such other information as the
21 Commissioner of Education directs.

22 (b) On or before November 1, school districts that are
23 members of learning communities shall also provide the learning
24 community coordinating council with a copy of the report submitted
25 to the commissioner. On or before November 15, each learning

1 community coordinating council shall submit to the commissioner,
2 to be filed in his or her office, a report described as the
3 annual financial report showing (i) the aggregate amount of money
4 received from all sources during the year for all member school
5 districts and the aggregate amount of money expended by member
6 school districts during the year, (ii) the aggregate amount of
7 bonded indebtedness for all member school districts, (iii) such
8 other aggregate information as shall be necessary to fulfill
9 the requirements of the Tax Equity and Educational Opportunities
10 Support Act and section 79-1114 for all member school districts,
11 and (iv) such other aggregate information as the Commissioner of
12 Education directs for all member school districts.

13 (4) (a) On or before October 15 of each year, the
14 superintendent or head administrator of each school district shall
15 deliver to the department the fall school district membership
16 report, which report shall include the number of children from
17 birth through twenty years of age enrolled in the district on the
18 last Friday in September of a given school year. The report shall
19 enumerate (i) students by grade level, (ii) school district levies
20 and total assessed valuation for the current fiscal year, and (iii)
21 such other information as the Commissioner of Education directs.

22 (b) On or before October 15 of each year, school
23 districts that are members of learning communities shall also
24 provide the learning community coordinating council with a copy of
25 the report delivered to the department. On or before October 31

1 of each year, each learning community coordinating council shall
2 deliver to the department the fall learning community membership
3 report, which report shall include the aggregate number of children
4 from birth through twenty years of age enrolled in the member
5 school districts on the last Friday in September of a given
6 school year for all member school districts. The report shall
7 enumerate (i) the aggregate students by grade level for all member
8 school districts, (ii) learning community levies and total assessed
9 valuation for the current fiscal year, and (iii) such other
10 information as the Commissioner of Education directs.

11 (c) When any school district or learning community
12 fails to submit its fall membership report by November 1, the
13 commissioner shall, after notice to the district and an opportunity
14 to be heard, direct that any state aid granted pursuant to the
15 Tax Equity and Educational Opportunities Support Act be withheld
16 until such time as the report is received by the department. In
17 addition, the commissioner shall direct the county treasurer to
18 withhold all school money belonging to the school district or
19 learning community until such time as the commissioner notifies the
20 county treasurer of receipt of such report. The county treasurer
21 shall withhold such money. For school districts that are members
22 of learning communities, a determination of school money belonging
23 to the district shall be based on the proportionate share of state
24 aid and property tax receipts allocated to the school district
25 by the learning community coordinating council, and the treasurer

1 of the learning community coordinating council shall withhold any
2 such school money in the possession of the learning community from
3 the school district. If a school district that is a member of
4 a learning community fails to provide a copy of the report to
5 the learning community coordinating council on or before October
6 15, the learning community coordinating council shall complete the
7 fall learning community membership report with information from the
8 reports received from other member school districts.

9 Sec. 46. Section 79-554, Revised Statutes Cumulative
10 Supplement, 2006, is amended to read:

11 79-554 In all meetings of a school board of a Class
12 I, II, or III, ~~or VI~~ school district, a majority of the members
13 shall constitute a quorum for the transaction of business. Regular
14 meetings shall be held on or before the third Monday of every
15 month. All meetings of the board shall be subject to the Open
16 Meetings Act. Special meetings may be called by the president or
17 any two members, but all members shall have notice of the time
18 and place of meeting. If a school district is participating in an
19 approved unified system as provided in section 79-4,108, regular
20 meetings of such district's school board shall be held at least
21 twice during the school year.

22 Sec. 47. Section 79-559, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-559 (1) The school board or board of education of
25 any Class II, III, IV, or V, ~~or VI~~ school district may include

1 at least one nonvoting member who is a public high school student
2 from the district. If the board elects to include such a nonvoting
3 student member, the student member shall serve for a term of one
4 year, beginning on September 1, and shall be the student body or
5 student council president, the senior class representative, or a
6 representative elected from and by the entire student body, as
7 designated by the voting members of the board.

8 (2) Any nonvoting student member of the board has the
9 privilege of attending all open meetings of the board but shall be
10 excluded from executive sessions.

11 Sec. 48. Section 79-569, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-569 The president of the school board of a Class I,
14 II, III, or IV, ~~or VI~~ school district shall: (1) Preside at all
15 meetings of the district; (2) countersign all orders upon the
16 treasury for money to be disbursed by the district and all warrants
17 of the secretary on the county treasurer for money raised for
18 district purposes or apportioned to the district by the county
19 treasurer; (3) administer the oath to the secretary and treasurer
20 of the district when such an oath is required by law in the
21 transaction of the business of the district; and (4) perform such
22 other duties as may be required by law of the president of the
23 board. He or she is entitled to vote on any issue that may come
24 before any meeting. If the president is absent from any district
25 meeting, the legal voters present may elect a suitable person to

1 preside at the meeting.

2 Sec. 49. Section 79-570, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-570 If at any district meeting of a Class I, II, III,
5 or IV, ~~or VI~~ school district any person conducts himself or herself
6 in a disorderly manner and persists in such conduct after notice
7 by the president or person presiding, the president or person
8 presiding may order such person to withdraw from the meeting and,
9 if the person refuses, may order any person or persons to take such
10 person into custody until the meeting is adjourned.

11 Sec. 50. Section 79-572, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-572 The president of a Class I, II, III, or IV, ~~or VI~~
14 school district shall appear for and on behalf of the district in
15 all suits brought by or against the district.

16 Sec. 51. Section 79-576, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-576 The secretary of a Class I, II, III, or IV, ~~or VI~~
19 school district shall be clerk of the school board and of all
20 district meetings when present, but if he or she is not present
21 the legal voters may appoint a clerk for the time being, who shall
22 certify the proceedings to the clerk to be recorded by him or her.

23 Sec. 52. Section 79-577, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-577 The secretary of a Class I, II, III, or IV, ~~or VI~~

1 school district shall (1) record all proceedings of the district in
2 a book furnished by the district to be kept for that purpose, (2)
3 preserve copies of all reports, and (3) safely preserve and keep
4 all books and papers belonging to the office.

5 Sec. 53. Section 79-578, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-578 The secretary of a Class I, II, III, or IV, ~~or VI~~
8 school district shall take, or cause to be taken by some person
9 appointed for the purpose by a majority vote of the school board,
10 the census of the school district and then make or cause to be
11 made a list in writing of the names of all the children belonging
12 to such district, from birth through twenty years of age, together
13 with the names of all the taxpayers in the district. A copy of
14 the list, verified by oath of the person taking such census or by
15 affidavit appended to or endorsed on the list, setting forth that
16 it is a correct list of the names of all children belonging in
17 the district from birth through twenty years of age and that it
18 reflects such information as of June 30, shall be maintained as
19 provided in section 79-524.

20 Sec. 54. Section 79-579, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-579 Whenever a secretary or president of the school
23 board of a Class I, II, III, or IV, ~~or VI~~ school district refuses
24 to sign orders on the treasurer or the treasurer thinks best to
25 refuse the payment of orders drawn upon him or her, the difficulty

1 shall be referred for adjudication to the county attorney, who
2 shall proceed at once to investigate the matter. If the county
3 attorney finds that the officer complained of refuses through
4 contumacy or for insufficient reasons, the county attorney, on
5 behalf of the district, shall apply to the proper court for a writ
6 of mandamus to compel the officer to perform his or her duty.

7 Sec. 55. Section 79-580, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-580 The secretary of the school board or board of
10 education of each Class I, II, and III~~7~~ ~~and VI~~ school district
11 having an annual budget of one hundred thousand dollars or more
12 shall, within ten days after any regular or special meeting of the
13 board, publish one time in a legal newspaper published in or of
14 general circulation in such district a list of the claims, arising
15 on contract or tort, allowed at the meeting. The list shall set
16 forth the name of the claimant and the amount and nature of the
17 claim allowed, to consist of not more than ten words in stating
18 the nature of each such claim. The secretary shall likewise cause
19 to be published a concise summary of all other proceedings of such
20 meetings. Publication of such claims or proceedings in a legal
21 newspaper shall not be required unless the publication can be done
22 at an expense not exceeding the rates provided by law for the
23 publication of proceedings of county boards.

24 Sec. 56. Section 79-581, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 79-581 The secretary of any school board or board of
2 education of a Class I, II, or III, ~~or VI~~ school district failing
3 or neglecting to comply with the provisions of section 79-580 shall
4 be guilty of a Class V misdemeanor. In the discretion of the court,
5 the judgment of conviction may provide for the removal from office
6 of such secretary for such failure or neglect.

7 Sec. 57. Section 79-586, Revised Statutes Cumulative
8 Supplement, 2006, is amended to read:

9 79-586 The treasurer of each Class I, II, III, or IV,
10 ~~or VI~~ school district shall, within ten days after his or her
11 election, execute to the county and file with the secretary a bond
12 or evidence of equivalent insurance coverage of not less than five
13 hundred dollars in any instance and not more than double the amount
14 of money, as nearly as can be ascertained, to come into his or
15 her hands as treasurer at any one time, which bond shall be signed
16 by either a personal surety or a surety company or companies of
17 recognized responsibility as surety or sureties, to be approved by
18 the president and secretary, conditioned for the faithful discharge
19 of the duties of the office. The bond when approved or evidence
20 of equivalent insurance coverage shall be filed by the secretary
21 in the office of the county treasurer of the county in which the
22 school district is situated. If the treasurer fails to execute such
23 bond or provide evidence of such insurance coverage, the office
24 shall be declared vacant by the school board or board of education
25 and the board shall immediately appoint a treasurer who shall be

1 subject to the same conditions and possess the same powers as
2 if elected to that office. The treasurer shall have no power or
3 authority to withdraw or disburse the money of the district prior
4 to filing the bond or evidence of equivalent insurance coverage
5 provided for in this section.

6 Sec. 58. Section 79-587, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-587 The treasurer of each Class I, II, III, or IV,
9 ~~or VI~~ school district shall apply for and receive from the county
10 treasurer all school money apportioned to or collected for the
11 district by the county treasurer, upon order of the secretary
12 countersigned by the president. The treasurer shall pay out all
13 money received by him or her, on the order of the secretary
14 countersigned by the president of such district.

15 Sec. 59. Section 79-588, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 79-588 The treasurer of a Class I, II, III, or IV, ~~or~~
18 ~~VI~~ school district shall keep a record in which the treasurer
19 shall enter all the money received and disbursed by him or her,
20 specifying particularly (1) the source from which money has been
21 received, (2) to what fund it belongs, and (3) the person or
22 persons to whom and the object for which the same has been paid
23 out. The treasurer shall present to the district, at each annual
24 meeting, a report in writing containing a statement of all money
25 received during the preceding year and of the disbursement made

1 with the items of such disbursements and exhibit the vouchers
2 therefor. At the close of the treasurer's term of office, he or she
3 shall settle with the school board and shall hand over to his or
4 her successor the records and all receipts, vouchers, orders, and
5 papers coming into his or her hands as treasurer of the district,
6 together with all money remaining in his or her hands as such
7 treasurer.

8 Sec. 60. Section 79-594, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-594 The school board in a Class II, III, or IV
11 ~~or VI~~ school district may also elect at any regular meeting one
12 superintendent of public instruction with such salary as the board
13 deems best and may enter into contract with him or her at its
14 discretion, for a term not to exceed three years.

15 Sec. 61. Section 79-5,107, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 79-5,107 The ~~board of education of any Class VI school~~
18 ~~district formerly organized as a rural high school district or the~~
19 school board of any Class II district may pay tuition based on
20 the actual per pupil cost of the receiving district for any junior
21 high, junior-senior high, or senior high school pupil residing in
22 the district to attend an accredited junior high, junior-senior
23 high, or senior high school outside such district when such
24 facilities are located closer to the residence of the pupil than
25 the school maintained by such district and when in the opinion of

1 the board the best interest of such pupil or such school district
2 may so require.

3 Sec. 62. Section 79-611, Revised Statutes Cumulative
4 Supplement, 2006, as affected by Referendum 2006, No. 422, is
5 amended to read:

6 79-611 (1) The school board of any school district that
7 is not subject to subsection (2) of this section shall either
8 provide free transportation or pay an allowance for transportation
9 in lieu of free transportation as follows:

10 (a) When a student attends an elementary school in his
11 or her own district and lives more than four miles from the public
12 schoolhouse in such district;

13 (b) When a student is required to attend an elementary
14 school outside of his or her own district and lives more than four
15 miles from such elementary school;

16 (c) When a student attends a secondary school in his or
17 her own Class II or Class III school district and lives more than
18 four miles from the public schoolhouse; and ~~This subdivision does~~
19 ~~not apply when one or more Class I school districts merge with~~
20 ~~a Class VI school district to form a new Class II or III school~~
21 ~~district on or after January 1, 1997; and~~

22 (d) When a student, other than a student in grades ten
23 through twelve in a Class V district, attends an elementary or
24 junior high school in his or her own Class V district and lives
25 more than four miles from the public schoolhouse in such district.

1 (2) The school board of any school district that is a
2 member of a learning community subject to the enrollment provisions
3 of section 79-2110 shall provide free transportation for a student
4 if (a) the student is a resident of any school district that is
5 a member of such learning community, (b) the student is attending
6 a school in the school district under the control of such school
7 board, and (c) the student does not reside in the attendance area
8 for such school. Transportation shall be provided from the school
9 building providing education in at least kindergarten through grade
10 three in the attendance area in which the student resides to
11 the school building the student attends. This subsection does not
12 prohibit a school district from providing additional transportation
13 to any student.

14 (3) The transportation allowance which may be paid to
15 the parent, custodial parent, or guardian of students qualifying
16 for free transportation pursuant to subsection (1) or (2) of this
17 section shall equal two hundred eighty-five percent of the mileage
18 rate provided in section 81-1176, multiplied by each mile actually
19 and necessarily traveled, on each day of attendance, beyond which
20 the one-way distance from the residence of the student to the
21 schoolhouse exceeds three miles.

22 (4) Whenever students from more than one family travel to
23 school in the same vehicle, the transportation allowance prescribed
24 in subsection (3) of this section shall be payable as follows:

25 (a) To the parent, custodial parent, or guardian

1 providing transportation for students from other families, one
2 hundred percent of the amount prescribed in subsection (3) of
3 this section for the transportation of students of such parent's,
4 custodial parent's, or guardian's own family and an additional
5 five percent for students of each other family not to exceed a
6 maximum of one hundred twenty-five percent of the amount determined
7 pursuant to subsection (3) of this section; and

8 (b) To the parent, custodial parent, or guardian not
9 providing transportation for students of other families, two
10 hundred eighty-five percent of the mileage rate provided in section
11 81-1176 multiplied by each mile actually and necessarily traveled,
12 on each day of attendance, from the residence of the student to
13 the pick-up point at which students transfer to the vehicle of a
14 parent, custodial parent, or guardian described in subdivision (a)
15 of this subsection.

16 (5) The board may authorize school-provided
17 transportation to any student who does not qualify under the
18 mileage requirements of subsection (1) of this section and may
19 charge a fee to the parent or guardian of the student for such
20 service. An affiliated high school district may provide free
21 transportation or pay the allowance described in this section for
22 high school students residing in an affiliated Class I district. No
23 transportation payments shall be made to a family for mileage not
24 actually traveled by such family. The number of days the student
25 has attended school shall be reported monthly by the teacher to the

1 board of such public school district.

2 (6) No more than one allowance shall be made to a
3 family irrespective of the number of students in a family being
4 transported to school. If a family resides in a Class I district
5 which is part of a Class VI district and has students enrolled in
6 any of the grades offered by the Class I district and in any of
7 the non-high-school grades offered by the Class VI district, such
8 family shall receive not more than one allowance for the distance
9 actually traveled when both districts are on the same direct travel
10 route with one district being located a greater distance from the
11 residence than the other. In such cases, the travel allowance shall
12 be prorated among the school districts involved.

13 (7) No student shall be exempt from school attendance on
14 account of distance from the public schoolhouse.

15 Sec. 63. Section 79-716, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 79-716 Every affiliated high school district and every
18 Class VI school district shall undertake efforts to provide
19 for coordination of the curriculum between the elementary school
20 program of instruction of participating Class I school districts
21 and the high school program of instruction of such affiliated
22 high school district, ~~or Class VI school district.~~ Notwithstanding
23 reasonable and good faith efforts to provide for coordination of
24 curriculum, each school board of a Class I school district shall
25 retain the final authority to determine matters of curriculum. ~~Any~~

1 additional costs incurred in providing the coordinated services
2 required by this section shall be included as a cost of the Class
3 ~~VI school district~~. In the case of an affiliated school system, any
4 additional costs incurred for curriculum coordination pursuant to
5 this section shall be funded through the budget of the high school
6 district. Any additional services required by any affiliated Class
7 I district shall be funded through such Class I district's budget
8 which may include contractual or purchased services.

9 Sec. 64. Section 79-828, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-828 (1) The contract of a probationary certificated
12 employee shall be deemed renewed and remain in full force and
13 effect unless amended or not renewed in accordance with sections
14 79-824 to 79-842.

15 (2) The purpose of the probationary period is to allow
16 the employer an opportunity to evaluate, assess, and assist the
17 employee's professional skills and work performance prior to the
18 employee obtaining permanent status.

19 All probationary certificated employees employed by Class
20 I, II, and III, ~~and VI~~ school districts shall, during each year of
21 probationary employment, be evaluated at least once each semester,
22 unless the probationary certificated employee is a superintendent,
23 in accordance with the procedures outlined below:

24 The probationary employee shall be observed and
25 evaluation shall be based upon actual classroom observations for

1 an entire instructional period. If deficiencies are noted in
2 the work performance of any probationary employee, the evaluator
3 shall provide the teacher or administrator at the time of the
4 observation with a list of deficiencies, a list of suggestions
5 for improvement and assistance in overcoming the deficiencies, and
6 followup evaluations and assistance when deficiencies remain.

7 If the probationary certificated employee is a
8 superintendent, he or she shall be evaluated twice during the first
9 year of employment and at least once annually thereafter.

10 Any certificated employee employed prior to September 1,
11 1982, by the school board of any Class I, II, and III, ~~or VI~~
12 school district shall serve the probationary period required by law
13 prior to such date and shall not be subject to any extension of
14 probation.

15 (3) If the school board or the superintendent or
16 superintendent's designee determines that it is appropriate to
17 consider whether the contract of a probationary certificated
18 employee or the superintendent should be amended or not renewed for
19 the next school year, such certificated employee shall be given
20 written notice that the school board will consider the amendment
21 or nonrenewal of such certificated employee's contract for the
22 ensuing school year. Upon request of the certificated employee,
23 notice shall be provided which shall contain the written reasons
24 for such proposed amendment or nonrenewal and shall be sufficiently
25 specific so as to provide such employee the opportunity to prepare

1 a response and the reasons set forth in the notice shall be
2 employment related.

3 (4) The school board may elect to amend or not renew
4 the contract of a probationary certificated employee for any reason
5 it deems sufficient if such nonrenewal is not for constitutionally
6 impermissible reasons, and such nonrenewal shall be in accordance
7 with sections 79-824 to 79-842. Amendment or nonrenewal for reason
8 of reduction in force shall be subject to sections 79-824 to 79-842
9 and 79-846 to 79-849.

10 (5) Within seven calendar days after receipt of
11 the notice, the probationary certificated employee may make a
12 written request to the secretary of the school board or to the
13 superintendent or superintendent's designee for a hearing before
14 the school board.

15 (6) Prior to scheduling of action or a hearing on
16 the matter, if requested, the notice of possible amendment
17 or nonrenewal and the reasons supporting possible amendment or
18 nonrenewal shall be considered a confidential employment matter as
19 provided in sections 79-539, 79-8,109, and 84-1410 and shall not be
20 released to the public or any news media.

21 (7) At any time prior to the holding of a hearing or
22 prior to final determination by the school board to amend or not
23 renew the contract involved, the probationary certificated employee
24 may submit a letter of resignation for the ensuing year, which
25 resignation shall be accepted by the school board.

1 (8) The probationary certificated employee shall be
2 afforded a hearing which shall not be required to meet the
3 requirements of a formal due process hearing as set forth in
4 section 79-832 but shall be subject to section 79-834.

5 Sec. 65. Section 79-850, Revised Statutes Cumulative
6 Supplement, 2006, as affected by Referendum 2006, No. 422, is
7 amended to read:

8 79-850 For purposes of sections 79-850 to 79-858:

9 (1) Reorganized school district means: (a) Any expanded
10 or altered school district, organized or altered by any of the
11 means provided by Nebraska law including, but not limited to, the
12 methods provided by the Reorganization of School Districts Act,
13 the Learning Community Reorganization Act, section 79-407, 79-413,
14 or 79-473, or sections 79-415 ~~to~~ 79-417 and 79-416 or 79-452 to
15 79-455; or (b) any school district to be formed in the future
16 if the petition or plan for such reorganized school district
17 has been approved pursuant to any of the methods set forth in
18 subdivision (1)(a) of this section when the effective date of such
19 reorganization is prospective. For purposes of this subdivision,
20 a petition or plan shall be deemed approved when the last legal
21 action has been taken, as prescribed in section 79-413, 79-450, or
22 79-455, necessary to effect the changes in boundaries as set forth
23 in the petition or plan; and

24 (2) Unified system means a unified system as defined in
25 section 79-4,108 recognized by the State Department of Education

1 pursuant to subsection (3) of such section, which employs
2 certificated staff.

3 Sec. 66. Section 79-1003, Revised Statutes Cumulative
4 Supplement, 2006, as affected by Referendum 2006, No. 422, is
5 amended to read:

6 79-1003 For purposes of the Tax Equity and Educational
7 Opportunities Support Act:

8 (1) Adjusted general fund operating expenditures means
9 (a) for school fiscal years before school fiscal year 2007-08,
10 general fund operating expenditures as calculated pursuant to
11 subdivision (24) of this section minus the transportation allowance
12 and minus the special receipts allowance, (b) for school fiscal
13 year 2007-08, general fund operating expenditures as calculated
14 pursuant to subdivision (24) of this section minus the sum of
15 the transportation, special receipts, and distance education and
16 telecommunications allowances, and (c) for school fiscal year
17 2008-09 and each school fiscal year thereafter, the difference
18 of the product of the general fund operating expenditures as
19 calculated pursuant to subdivision (24) of this section multiplied
20 by the cost growth factor for the school district's cost grouping
21 calculated pursuant to section 79-1007.10 minus the transportation
22 allowance, special receipts allowance, poverty allowance, limited
23 English proficiency allowance, elementary class size allowance, and
24 focus school and program allowance;

25 (2) Adjusted valuation means the assessed valuation of

1 taxable property of each local system in the state, adjusted
2 pursuant to the adjustment factors described in section 79-1016.
3 Adjusted valuation means the adjusted valuation for the property
4 tax year ending during the school fiscal year immediately preceding
5 the school fiscal year in which the aid based upon that value is
6 to be paid. For purposes of determining the local effort rate yield
7 pursuant to section 79-1015.01, adjusted valuation does not include
8 the value of any property which a court, by a final judgment from
9 which no appeal is taken, has declared to be nontaxable or exempt
10 from taxation;

11 (3) Allocated income tax funds means the amount of
12 assistance paid to a local system pursuant to section 79-1005.01 or
13 79-1005.02 as adjusted by the minimum levy adjustment pursuant to
14 section 79-1008.02;

15 (4) Average daily attendance of a student who resides on
16 Indian land means average daily attendance of a student who resides
17 on Indian land from the most recent data available on November 1
18 preceding the school fiscal year in which aid is to be paid;

19 (5) Average daily membership means the average daily
20 membership for grades kindergarten through twelve attributable to
21 the local system, as provided in each district's annual statistical
22 summary, and includes the proportionate share of students enrolled
23 in a public school instructional program on less than a full-time
24 basis;

25 (6) Base fiscal year means the first school fiscal year

1 following the school fiscal year in which the reorganization or
2 unification occurred;

3 (7) Board means the school board of each school district;

4 (8) Categorical funds means funds limited to a specific
5 purpose by federal or state law, including, but not limited to,
6 Title I funds, Title VI funds, federal vocational education funds,
7 federal school lunch funds, Indian education funds, Head Start
8 funds, and funds from the Education Innovation Fund;

9 (9) Consolidate means to voluntarily reduce the number of
10 school districts providing education to a grade group and does not
11 include dissolution pursuant to section 79-498;

12 (10) Converted contract means an expired contract that
13 was in effect for at least fifteen years for the education of
14 students in a nonresident district in exchange for tuition from
15 the resident district when the expiration of such contract results
16 in the nonresident district educating students who would have been
17 covered by the contract if the contract were still in effect
18 as option students pursuant to the enrollment option program
19 established in section 79-234;

20 (11) Converted contract option students means students
21 who will be option students pursuant to the enrollment option
22 program established in section 79-234 for the school fiscal year
23 for which aid is being calculated and who would have been covered
24 by a converted contract if the contract were still in effect and
25 such school fiscal year is the first school fiscal year for which

1 such contract is not in effect;

2 (12) Department means the State Department of Education;

3 (13) Distance education and telecommunications allowance
4 means, for state aid calculated for school fiscal year 2007-08
5 and each school fiscal year thereafter, eighty-five percent of
6 the difference of the costs for (a) telecommunications services,
7 (b) access to data transmission networks that transmit data to
8 and from the school district, and (c) the transmission of data
9 on such networks paid by the school districts in the local
10 system as reported on the annual financial report for the most
11 recently available complete data year minus the receipts from the
12 federal Universal Service Fund pursuant to section 254 of the
13 Telecommunications Act of 1996, 47 U.S.C. 254, as such section
14 existed on January 1, 2006, for the school districts in the local
15 system as reported on the annual financial report for the most
16 recently available complete data year;

17 (14) District means any Class I, II, III, IV, or V, ~~or VI~~
18 school district;

19 (15) Ensuing school fiscal year means the school fiscal
20 year following the current school fiscal year;

21 (16) Equalization aid means the amount of assistance
22 calculated to be paid to a local system pursuant to sections
23 79-1008.01 to 79-1022 and 79-1022.02;

24 (17) Fall membership means the total membership in
25 kindergarten through grade twelve attributable to the local system

1 as reported on the fall school district membership reports for each
2 district pursuant to section 79-528;

3 (18) Fiscal year means the state fiscal year which is the
4 period from July 1 to the following June 30;

5 (19) Formula students means (a) for state aid certified
6 pursuant to section 79-1022, the sum of fall membership from the
7 school fiscal year immediately preceding the school fiscal year in
8 which the aid is to be paid, multiplied by the average ratio of
9 average daily membership to fall membership for the second school
10 fiscal year immediately preceding the school fiscal year in which
11 aid is to be paid and the prior two school fiscal years, plus
12 qualified early childhood education fall membership plus tuitioned
13 students from the school fiscal year immediately preceding the
14 school fiscal year in which the aid is to be paid and (b) for final
15 calculation of state aid pursuant to section 79-1065, the sum of
16 average daily membership plus qualified early childhood education
17 average daily membership plus tuitioned students from the school
18 fiscal year immediately preceding the school fiscal year in which
19 the aid was paid;

20 (20) Free lunch and free milk student means a student
21 who qualified for free lunches or free milk from the most recent
22 data available on November 1 of the school fiscal year immediately
23 preceding the school fiscal year in which aid is to be paid;

24 (21) Full-day kindergarten means kindergarten offered by
25 a district for at least one thousand thirty-two instructional

1 hours;

2 (22) General fund budget of expenditures means the total
3 budget of disbursements and transfers for general fund purposes as
4 certified in the budget statement adopted pursuant to the Nebraska
5 Budget Act, except that for purposes of the limitation imposed in
6 section 79-1023, the calculation of Class I total allowable general
7 fund budget of expenditures minus the special education budget of
8 expenditures pursuant to section 79-1083.03, and the calculation
9 pursuant to subdivision (2) of section 79-1027.01, the general fund
10 budget of expenditures does not include any special grant funds,
11 exclusive of local matching funds, received by a district subject
12 to the approval of the department;

13 (23) General fund expenditures means all expenditures
14 from the general fund;

15 (24) General fund operating expenditures means the total
16 general fund expenditures minus categorical funds, tuition paid,
17 transportation fees paid to other districts, adult education,
18 summer school, community services, redemption of the principal
19 portion of general fund debt service, retirement incentive plans,
20 staff development assistance, and transfers from other funds into
21 the general fund for the second school fiscal year immediately
22 preceding the school fiscal year in which aid is to be paid;

23 (25) High school district means a school district
24 providing instruction in at least grades nine through twelve;

25 (26) Income tax liability means the amount of the

1 reported income tax liability for resident individuals pursuant
2 to the Nebraska Revenue Act of 1967 less all nonrefundable credits
3 earned and refunds made;

4 (27) Income tax receipts means the amount of income tax
5 collected pursuant to the Nebraska Revenue Act of 1967 less all
6 nonrefundable credits earned and refunds made;

7 (28) Limited English proficiency student means a student
8 with limited English proficiency from the most recent data
9 available on November 1 of the school fiscal year preceding
10 the school fiscal year in which aid is to be paid;

11 (29) Local system means a ~~Class VI district and the~~
12 ~~associated Class I districts or~~ a Class II, III, IV, or V district
13 and any affiliated Class I districts or portions of Class I
14 districts and for school fiscal year 2008-09 and each school fiscal
15 year thereafter, a learning community or a Class II, III, IV,
16 or V district that is not a member of a learning community.
17 The membership, expenditures, and resources of Class I districts
18 that are affiliated with multiple high school districts will be
19 attributed to local systems based on the percent of the Class I
20 valuation that is affiliated with each high school district;

21 (30) Low-income child means (a) for school fiscal years
22 prior to 2008-09, a child under nineteen years of age living in
23 a household having an annual adjusted gross income of fifteen
24 thousand dollars or less for the second calendar year preceding
25 the beginning of the school fiscal year for which aid is being

1 calculated and (b) for school fiscal year 2008-09 and each school
2 fiscal year thereafter, a child under nineteen years of age living
3 in a household having an annual adjusted gross income for the
4 second calendar year preceding the beginning of the school fiscal
5 year for which aid is being calculated equal to or less than the
6 maximum household income that would allow a student from a family
7 of four people to be a free lunch and free milk student during the
8 school fiscal year immediately preceding the school fiscal year for
9 which aid is being calculated;

10 (31) Low-income students means the number of low-income
11 children within the local system multiplied by the ratio of the
12 formula students in the local system divided by the total children
13 under nineteen years of age residing in the local system as derived
14 from income tax information;

15 (32) Most recently available complete data year means
16 the most recent single school fiscal year for which the annual
17 financial report, fall school district membership report, annual
18 statistical summary, Nebraska income tax liability by school
19 district for the calendar year in which the majority of the school
20 fiscal year falls, and adjusted valuation data are available;

21 (33) Poverty students means the number of low-income
22 students or the number of formula students who are free lunch and
23 free milk students in a local system, whichever is greater;

24 (34) Qualified early childhood education average daily
25 membership means the product of the average daily membership for

1 school fiscal year 2006-07 and each school fiscal year thereafter
2 of students who will be eligible to attend kindergarten the
3 following school year and are enrolled in an early childhood
4 education program approved by the department pursuant to section
5 79-1103 for such school district for such school year if: (a)
6 The program is receiving a grant pursuant to such section for the
7 third year; (b) the program has already received grants pursuant to
8 such section for three years; or (c) the program has been approved
9 pursuant to subsection (5) of section 79-1103 for such school year
10 and the two preceding school years, including any such students
11 in portions of any of such programs receiving an expansion grant,
12 multiplied by the ratio of the actual instructional hours of the
13 program divided by one thousand thirty-two;

14 (35) Qualified early childhood education fall membership
15 means the product of membership on the last Friday in September
16 2006 and each year thereafter of students who will be eligible
17 to attend kindergarten the following school year and are enrolled
18 in an early childhood education program approved by the department
19 pursuant to section 79-1103 for such school district for such
20 school year if: (a) The program is receiving a grant pursuant
21 to such section for the third year; (b) the program has already
22 received grants pursuant to such section for three years; or (c)
23 the program has been approved pursuant to subsection (5) of section
24 79-1103 for such school year and the two preceding school years,
25 including any such students in portions of any of such programs

1 receiving an expansion grant, multiplied by the ratio of the
2 planned instructional hours of the program divided by one thousand
3 thirty-two;

4 (36) Regular route transportation means the
5 transportation of students on regularly scheduled daily routes to
6 and from the attendance center;

7 (37) Reorganized district means any district involved
8 in a consolidation and currently educating students following
9 consolidation;

10 (38) School year or school fiscal year means the fiscal
11 year of a school district as defined in section 79-1091;

12 (39) Special education means specially designed
13 kindergarten through grade twelve instruction pursuant to section
14 79-1125, and includes special education transportation;

15 (40) Special grant funds means the budgeted receipts for
16 grants, including, but not limited to, Title I funds, Title VI
17 funds, funds from the Education Innovation Fund, reimbursements
18 for wards of the court, short-term borrowings including, but
19 not limited to, registered warrants and tax anticipation notes,
20 interfund loans, insurance settlements, and reimbursements to
21 county government for previous overpayment. The state board shall
22 approve a listing of grants that qualify as special grant funds;

23 (41) Special receipts allowance means the amount of
24 special education, state ward, and accelerated or differentiated
25 curriculum program receipts included in local system formula

1 resources under subdivisions (7), (8), (16), and (17) of section
2 79-1018.01 attributable to the school district;

3 (42) State aid means the amount of assistance paid to a
4 district pursuant to the Tax Equity and Educational Opportunities
5 Support Act;

6 (43) State board means the State Board of Education;

7 (44) State support means all funds provided to districts
8 by the State of Nebraska for the general fund support of elementary
9 and secondary education;

10 (45) Temporary aid adjustment factor means (a) for school
11 fiscal years before school fiscal year 2007-08, one and one-fourth
12 percent of the sum of the local system's transportation allowance,
13 the local system's special receipts allowance, and the product
14 of the local system's adjusted formula students multiplied by
15 the average formula cost per student in the local system's cost
16 grouping and (b) for school fiscal year 2007-08 and each school
17 fiscal year thereafter, one and one-fourth percent of the sum
18 of the local system's transportation allowance, special receipts
19 allowance, and distance education and telecommunications allowance
20 and the product of the local system's adjusted formula students
21 multiplied by the average formula cost per student in the local
22 system's cost grouping;

23 (46) Transportation allowance means the lesser of (a)
24 each local system's general fund expenditures for regular route
25 transportation and in lieu of transportation expenditures pursuant

1 to section 79-611 in the second school fiscal year immediately
2 preceding the school fiscal year in which aid is to be paid,
3 but not including special education transportation expenditures or
4 other expenditures previously excluded from general fund operating
5 expenditures, or (b) the number of miles traveled in the second
6 school fiscal year immediately preceding the school fiscal year in
7 which aid is to be paid by vehicles owned, leased, or contracted
8 by the district or the districts in the local system for the
9 purpose of regular route transportation multiplied by four hundred
10 percent of the mileage rate established by the Department of
11 Administrative Services pursuant to section 81-1176 as of January 1
12 of the most recently available complete data year added to in lieu
13 of transportation expenditures pursuant to section 79-611 from the
14 same data year;

15 (47) Tuition receipts from converted contracts means
16 tuition receipts received by a district from another district
17 in the most recently available complete data year pursuant to a
18 converted contract prior to the expiration of the contract; and

19 (48) Tuitioned students means students in kindergarten
20 through grade twelve of the district whose tuition is paid by the
21 district to some other district or education agency.

22 Sec. 67. Section 79-1023, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-1023 No Class II, III, IV, or V, ~~or VI~~ district shall
25 increase its general fund budget of expenditures more than the

1 local system's applicable allowable growth rate.

2 Sec. 68. Section 79-1026, Revised Statutes Cumulative
3 Supplement, 2006, as affected by Referendum 2006, No. 422, is
4 amended to read:

5 79-1026 For school fiscal years prior to 2008-09: On or
6 before ~~June 15, 2003~~ and ~~on or before~~ February 1, ~~for each year~~
7 ~~thereafter~~, the department shall determine and certify to each
8 Class II, III, IV, or V ~~or VI~~ district an applicable allowable
9 growth rate carried out at least four decimal places for each local
10 system as follows:

11 (1) The department shall establish a target budget level
12 range of general fund operating expenditure levels for each school
13 fiscal year for each local system which shall begin at twenty
14 percent less than the local system's formula need and end at the
15 local system's formula need. The beginning point of the range shall
16 be assigned a number equal to the maximum allowable growth rate
17 established in section 79-1025, and the end point of the range
18 shall be assigned a number equal to the basic allowable growth rate
19 as prescribed in such section such that the lower end of the range
20 shall be assigned the maximum allowable growth rate and the higher
21 end of the range shall be assigned the basic allowable growth rate;
22 and

23 (2) For each school fiscal year, each local system's
24 general fund operating expenditures shall be compared to its target
25 budget level along the range described in subdivision (1) of

1 this section to arrive at an applicable allowable growth rate as
2 follows: If each local system's general fund operating expenditures
3 fall below the lower end of the range, such applicable allowable
4 growth rate shall be the maximum growth rate identified in section
5 79-1025. If each local system's general fund operating expenditures
6 are greater than the higher end of the range, the local system's
7 allowable growth rate shall be the basic allowable growth rate
8 identified in such section. If each local system's general fund
9 operating expenditures fall between the lower end and the higher
10 end of the range, the department shall use a linear interpolation
11 calculation between the end points of the range to arrive at the
12 applicable allowable growth rate for the local system.

13 Sec. 69. Section 79-1028, Revised Statutes Cumulative
14 Supplement, 2006, as affected by Referendum 2006, No. 422, is
15 amended to read:

16 79-1028 (1) A Class II, III, IV, or ~~V~~ ~~VI~~ school
17 district may exceed its applicable allowable growth rate for (a)
18 expenditures in support of a service which is the subject of
19 an agreement or a modification of an existing agreement whether
20 operated by one of the parties to the agreement or an independent
21 joint entity or joint public agency, (b) expenditures to pay for
22 repairs to infrastructure damaged by a natural disaster which is
23 declared a disaster emergency pursuant to the Emergency Management
24 Act, (c) expenditures to pay for judgments, except judgments
25 or orders from the Commission of Industrial Relations, obtained

1 against a school district which require or obligate a school
 2 district to pay such judgment, to the extent such judgment is not
 3 paid by liability insurance coverage of a school district, (d)
 4 expenditures to pay for sums agreed to be paid by a school district
 5 to certificated employees in exchange for a voluntary termination
 6 of employment, or (e) expenditures to pay for lease-purchase
 7 contracts approved on or after July 1, 1997, and before July
 8 1, 1998, to the extent the lease payments were not budgeted
 9 expenditures for fiscal year 1997-98.

10 (2) A Class II, III, IV, or V ~~or VI~~ district may
 11 exceed its applicable allowable growth rate by a specific dollar
 12 amount if the district projects an increase in formula students
 13 in the district over the current school year greater than
 14 twenty-five students or greater than those listed in the schedule
 15 provided in this subsection, whichever is less. Districts shall
 16 project increases in formula students on forms prescribed by the
 17 department. The department shall approve, deny, or modify the
 18 projected increases.

19	Average daily	Projected increase
20	membership of	of formula students
21	district	by percentage
22	0 - 50	10
23	50.01 - 250	5
24	250.01 - 1,000	3
25	1,000.01 and over	1

1 The department shall compute the district's estimated
2 allowable budget per pupil using the budgeted general fund
3 expenditures found on the budget statement for the current school
4 year divided by the number of formula students in the current
5 school year and multiplied by the district's applicable allowable
6 growth rate. The resulting allowable budget per pupil shall be
7 multiplied by the projected formula students to arrive at the
8 estimated budget needs for the ensuing year. The department
9 shall allow the district to increase its general fund budget
10 of expenditures for the ensuing school year by the amount
11 necessary to fund the estimated budget needs of the district
12 as computed pursuant to this subsection. On or before July
13 1, the department shall make available to districts which have
14 been allowed additional growth pursuant to this subsection the
15 necessary document to recalculate the actual formula students of
16 such district. Such document shall be filed with the department
17 under subsection (1) of section 79-1024.

18 (3) A Class II, III, IV, or V ~~or VI~~ district may exceed
19 its applicable allowable growth rate by a specific dollar amount
20 if construction, expansion, or alteration of district buildings
21 will cause an increase in building operation and maintenance
22 costs of at least five percent. The department shall document the
23 projected increase in building operation and maintenance costs and
24 may allow a Class II, III, IV, or V ~~or VI~~ district to exceed
25 its applicable allowable growth rate by the amount necessary to

1 fund such increased costs. The department shall compute the actual
2 increased costs for the school year and shall notify the district
3 on or before July 1 of the recovery of the additional growth
4 pursuant to this subsection.

5 (4) A Class II, III, IV, or V, ~~or VI~~ district may
6 exceed its applicable allowable growth rate by a specific dollar
7 amount if the district demonstrates to the satisfaction of the
8 department that it will exceed its applicable allowable growth rate
9 as a result of costs pursuant to the Retirement Incentive Plan
10 authorized in section 79-855 or the Staff Development Assistance
11 authorized in section 79-856. The department shall compute the
12 amount by which the increased cost of such program or programs
13 exceeds the district's applicable allowable growth rate and shall
14 allow the district to increase its general fund expenditures by
15 such amount for that fiscal year.

16 (5) A Class II, III, IV, or V district may exceed its
17 applicable allowable growth rate by the specific dollar amount of
18 incentive payments or base fiscal year incentive payments to be
19 received in such school fiscal year pursuant to section 79-1011.

20 (6) A Class II, III, IV, or V, ~~or VI~~ district may
21 exceed its applicable allowable growth rate by a specific dollar
22 amount in any year for which the state aid calculation for the
23 local system includes students in the qualified early childhood
24 education fall membership of the district for the first time or
25 for a year in which an early childhood education program of the

1 district is receiving an expansion grant. The department shall
2 compute the amount by which the district may exceed the district's
3 applicable allowable growth rate by multiplying the cost grouping
4 cost per student for the applicable cost grouping by the district's
5 adjusted formula students attributed to early childhood education
6 programs if students are included in the district's qualified
7 early childhood education fall membership for the first time or by
8 the district's adjusted formula students attributed to such early
9 childhood education programs minus the district's adjusted formula
10 students attributed to such early childhood education programs for
11 the prior school fiscal year if a program is receiving an expansion
12 grant in the school fiscal year for which the fall membership is
13 measured. The department shall allow the district to increase its
14 general fund expenditures by such amount for such school fiscal
15 year.

16 (7) For school fiscal year 2005-06, a Class II, III, IV,
17 V, or VI district may exceed its applicable allowable growth rate
18 by a specific dollar amount not to exceed seventy-four hundredths
19 percent of the amount budgeted for employee salaries for such
20 school fiscal year. For school fiscal year 2006-07, a Class II,
21 III, IV, V, or VI district may exceed its applicable allowable
22 growth rate by a specific dollar amount not to exceed fifty-nine
23 hundredths percent of the amount budgeted for employee salaries for
24 such school fiscal year.

25 (8) A Class II, III, IV, or V district that is a

1 member of a learning community may exceed its applicable allowable
2 growth rate for the first school fiscal year in which the school
3 district will be a member of a learning community for the full
4 school fiscal year by an amount equal to anticipated increases in
5 transportation expenditures necessary to meet the requirements of
6 subsection (2) of section 79-611 as approved by the department. The
7 department shall approve, deny, or modify the amount allowed
8 for anticipated increases in transportation expenditures. The
9 department shall compute the actual increase in transportation
10 expenditures necessary to meet the requirements of subsection (2)
11 of section 79-611 for such school fiscal year and shall, if needed,
12 modify the district's applicable allowable growth rate for the
13 ensuing school fiscal year.

14 (9) For school fiscal year 2008-09, a Class II, III,
15 IV, or V district may exceed its applicable allowable growth
16 rate by a specific dollar amount if the sum of the poverty
17 allowance, elementary class size allowance, focus school and
18 program allowance, and limited English proficiency allowance for
19 the school district for school fiscal year 2008-09 exceeds the
20 poverty weightings plus limited English proficiency weightings
21 multiplied by the cost grouping cost per student for the school
22 district for school fiscal year 2007-08. The department shall
23 compute the amount by which the district may exceed the applicable
24 allowable growth rate by subtracting the product of the sum of
25 the poverty weightings and limited English proficiency weightings

1 for school fiscal year 2007-08 multiplied by the average formula
2 cost per student in the school district's cost grouping for school
3 fiscal year 2007-08 from the sum of the school fiscal year 2008-09
4 poverty allowance, elementary class size allowance, focus school
5 and program allowance, and limited English proficiency allowance
6 for the school district. The department shall allow the district to
7 increase its general fund expenditures by such amount for school
8 fiscal year 2008-09.

9 (10) For school fiscal year 2009-10 and each school
10 fiscal year thereafter, a Class II, III, IV, or V district may
11 exceed its applicable allowable growth rate by a specific dollar
12 amount if the sum of the poverty allowance, elementary class size
13 allowance, focus school and program allowance, and limited English
14 proficiency allowance for the school district has grown at a rate
15 higher than the applicable allowable growth rate of the district.
16 The department shall compute the amount by which the district
17 may exceed the applicable allowable growth rate by subtracting
18 the product of the sum of the poverty allowance, elementary class
19 size allowance, focus school and program allowance, and limited
20 English proficiency allowance for the immediately preceding school
21 fiscal year multiplied by the sum of one plus the applicable
22 allowable growth rate to be exceeded from the sum of the poverty
23 allowance, elementary class size allowance, focus school and
24 program allowance, and limited English proficiency allowance for
25 the district for the school fiscal year for which the applicable

1 allowable growth rate would be exceeded. The department shall allow
2 the district to increase its general fund expenditures by such
3 amount for the applicable school fiscal year.

4 (11) A Class II, III, IV, or V school district may
5 exceed its applicable allowable growth rate by a specific dollar
6 amount not to exceed the amount received during such school fiscal
7 year from educational entities as defined in section 79-1332 for
8 providing distance education courses through the Distance Education
9 Council to such educational entities.

10 (12) A Class II, III, IV, or V school district may exceed
11 its applicable allowable growth rate for school fiscal year 2007-08
12 by a specific dollar amount equal to the amount paid in school
13 fiscal year 2006-07 to any distance education consortium in which
14 the school district was participating pursuant to an interlocal
15 agreement.

16 Sec. 70. Section 79-1029, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-1029 (1) A Class II, III, IV, or V, ~~or VI~~ district
19 may exceed the basic allowable growth rate prescribed in section
20 79-1025 upon an affirmative vote of at least seventy-five percent
21 of the board. The total growth shall not exceed the applicable
22 allowable growth rate certified for the local system under section
23 79-1026 plus one percent. The vote shall be taken at a public
24 meeting of the board following a special public hearing called for
25 the purpose of receiving testimony on such proposed increase. The

1 board shall give at least five calendar days' notice of such public
2 hearing and shall publish such notice at least once in a newspaper
3 of general circulation in the local system.

4 (2) A Class II, III, IV, or V ~~or VI~~ district may exceed
5 the applicable allowable growth rate prescribed in section 79-1026
6 by an amount approved by a majority of legal voters voting on the
7 issue at a primary, general, or special election called for such
8 purpose upon the recommendation of the board or upon the receipt by
9 the county clerk or election commissioner of a petition requesting
10 an election signed by at least five percent of the legal voters of
11 the district. The recommendation of the board or the petition of
12 the legal voters shall include the amount and percentage by which
13 the board would increase its general fund budget of expenditures
14 for the ensuing school year over and above the current year's
15 general fund budget of expenditures. The county clerk or election
16 commissioner shall place the question on the primary or general
17 election ballot or call for a special election on the issue after
18 the receipt of such board recommendation or legal voter petition.
19 The election shall be held pursuant to the Election Act or section
20 77-3444, and all costs for a special election shall be paid by the
21 district. A vote to exceed the applicable allowable growth rate
22 may be approved on the same question as a vote to exceed the levy
23 limits provided in section 77-3444.

24 Sec. 71. Section 79-1030, Revised Statutes Cumulative
25 Supplement, 2006, is amended to read:

1 79-1030 A Class II, III, IV, or V ~~or VI~~ district may
2 choose not to increase its general fund budget of expenditures by
3 the full amount of its applicable allowable growth rate. In such
4 cases, the department shall calculate the amount of unused budget
5 authority which shall be carried forward to future budget years so
6 a Class II, III, IV, or V ~~or VI~~ district may increase its general
7 fund budget of expenditures in future budget years by the amount
8 of such total unused budget authority in addition to its applicable
9 allowable growth rate for the specific budget year.

10 Sec. 72. Section 79-1036, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 79-1036 (1) In making the apportionment under section
13 79-1035, the Commissioner of Education shall distribute from the
14 school fund for school purposes, to any and all school districts
15 in which there are situated school lands which have not been sold
16 and transferred by deed or saline lands owned by the state, which
17 lands are being used for a public purpose, an amount in lieu of
18 tax money that would be raised if such lands were taxable, to
19 be ascertained in accordance with subsection (2) of this section,
20 except that: ~~(a) For~~ for Class I districts ~~or portions thereof~~ which
21 are affiliated and in which there are situated school or saline
22 lands, 38.6207 percent of the in lieu of land tax money calculated
23 pursuant to subsection (2) of this section, based on the affiliated
24 school system tax levy computed pursuant to section 79-1077, shall
25 be distributed to the affiliated high school district and the

1 remainder shall be distributed to the Class I district. †

2 ~~(b) For Class I districts or portions thereof which are~~
3 ~~part of a Class VI district which offers instruction in grades nine~~
4 ~~through twelve and in which there are situated school or saline~~
5 ~~lands, 38.6207 percent of the in lieu of land tax money calculated~~
6 ~~pursuant to subsection (2) of this section, based on the Class VI~~
7 ~~school system levy computed pursuant to section 79-1078, shall be~~
8 ~~distributed to the Class VI district and the remainder shall be~~
9 ~~distributed to the Class I district;~~

10 ~~(c) For Class I districts or portions thereof which are~~
11 ~~part of a Class VI district which offers instruction in grades~~
12 ~~seven through twelve and in which there are situated school or~~
13 ~~saline lands, 55.1724 percent of the in lieu of land tax money~~
14 ~~calculated pursuant to subsection (2) of this section, based on the~~
15 ~~Class VI school system levy computed pursuant to section 79-1078,~~
16 ~~shall be distributed to the Class VI district and the remainder~~
17 ~~shall be distributed to the Class I district; and~~

18 ~~(d) For Class I districts or portions thereof which are~~
19 ~~part of a Class VI district which offers instruction in grades six~~
20 ~~through twelve and in which there are situated school or saline~~
21 ~~lands, 62.0690 percent of the in lieu of land tax money calculated~~
22 ~~pursuant to subsection (2) of this section, based on the Class VI~~
23 ~~school system levy computed pursuant to section 79-1078, shall be~~
24 ~~distributed to the Class VI district and the remainder shall be~~
25 ~~distributed to the Class I district.~~

1 (2) The county assessor shall certify to the Commissioner
2 of Education the tax levy for school purposes of each school
3 district in which school land or saline land is located and the
4 last appraised value of such school land, which value shall be
5 the same percentage of the appraised value as the percentage of
6 the assessed value is of market value in subsection (2) of section
7 77-201 for the purpose of applying the applicable tax levy for
8 each district in determining the distribution to the districts of
9 such amounts. The school board of any school district in which
10 there is located any leased or undeeded school land or saline land
11 subject to this section may appeal to the Board of Educational
12 Lands and Funds for a reappraisalment of such school land if such
13 school board deems the land not appraised in proportion to the
14 value of adjoining land of the same or similar value. The Board of
15 Educational Lands and Funds shall proceed to investigate the facts
16 involved in such appeal and, if the contention of the school board
17 is correct, make the proper reappraisalment. The value calculation
18 in this subsection shall be used by the Commissioner of Education
19 for making distributions in each school fiscal year.

20 Sec. 73. Section 79-1065.02, Revised Statutes Cumulative
21 Supplement, 2006, is amended to read:

22 79-1065.02 (1) State aid payments shall be adjusted to
23 reflect transfers of property due to annexation, to any dissolution
24 of a Class I school district, and to any reorganization involving
25 one or more Class I school districts.

1 (2) This section applies whenever:

2 (a) A Class I school district dissolves or reorganizes
3 in such a manner that the parcels of property making up the Class
4 I district prior to the dissolution or reorganization which were
5 affiliated with a Class II, III, IV, or V school district do not
6 become part of the Class II, III, IV, or V school district with
7 which such parcels of property were affiliated; or

8 (b) Property within the boundaries of a Class II, III,
9 IV, or V, ~~or VI~~ school district is transferred to another school
10 district due to a change in the school district boundaries in
11 response to annexation of the transferred property by a city or
12 village.

13 (3) To qualify for additional state aid pursuant to
14 this section, the school district from which property is being
15 transferred shall apply on a form prescribed by the State
16 Department of Education on or before August 20 preceding the first
17 school fiscal year for which the property will not be available for
18 taxation for the school district's general fund levy. On or before
19 such deadline, the applicant school district shall send copies of
20 the application to the high school districts of the local systems
21 receiving valuation in the transfer. For purposes of this section,
22 property is deemed transferred from the school district whether the
23 property was within the boundaries of the school district or the
24 property was affiliated with the school district.

25 (4) Upon receipt of the application, the department,

1 with the assistance of the Property Tax Administrator, shall
2 calculate the amount of additional state aid, if any, that the
3 local system, as defined in section 79-1003, for the applicant
4 school district would have received for such school fiscal year if
5 the adjusted valuation for the transferred property had not been
6 included in the adjusted valuation of such local system for the
7 calculation of state aid for such school fiscal year. On or before
8 September 20 of such school fiscal year, the department shall
9 certify to the applicant school district the amount of additional
10 state aid, if any, the district will receive. Except as otherwise
11 provided in this subsection, if such applicant school district
12 receives a lump-sum payment pursuant to subsection (2) of section
13 79-1022, such lump-sum payment shall be increased by the amount
14 of additional state aid. Except as otherwise provided in this
15 subsection, if such applicant school district does not receive a
16 lump-sum payment pursuant to such subsection, state aid payments
17 shall be increased by one-tenth of the amount of additional state
18 aid for each of the ten state aid payments for such school fiscal
19 year. If a portion of the total reduction calculated pursuant
20 to subsection (5) of this section for local systems receiving
21 valuation in the transfer of property that is the subject of the
22 application is delayed until future years, the additional state aid
23 to be paid in the school fiscal year described in subsection (3) of
24 this section shall be reduced by the amount of the total reduction
25 that is delayed until future years. The amount of the reduction

1 shall be paid as additional aid in the next school fiscal year.

2 (5) The state aid payments shall be reduced for the high
3 school district of each receiving local system. An amount equal to
4 the additional state aid calculated pursuant to subsection (4) of
5 this section for the local system of an applicant school district
6 shall be attributed to the local systems receiving valuation in
7 such transfer based upon the ratio of the adjusted valuation
8 received by each local system divided by the total adjusted
9 valuation transferred from the applicant school district. If such
10 high school district receives a lump-sum payment pursuant to
11 subsection (2) of section 79-1022, such lump-sum payment shall be
12 reduced by the amount attributed to the receiving local system.
13 If the high school district of a receiving local system does not
14 receive a lump-sum payment pursuant to such subsection, state aid
15 payments shall be reduced by one-tenth of the amount attributed
16 to such receiving local system for each of the ten state aid
17 payments for such school fiscal year. If the total reduction is
18 greater than the total state aid payments for such school fiscal
19 year, the remainder shall be subtracted from state aid payments
20 in future school fiscal years until the total reduction has been
21 subtracted from state aid payments. On or before September 20 of
22 such school fiscal year, the department shall certify to the high
23 school district of the receiving local system the amount of the
24 reduction in state aid.

25 (6) For purposes of the final calculation of state aid

1 pursuant to section 79-1065, the adjusted valuation of the property
2 that was transferred shall also be transferred for purposes of
3 adjusted valuation for the final calculation of state aid. For
4 determining adjustments in state aid pursuant to section 79-1065,
5 the final calculation of state aid shall be compared to the
6 state aid certified for such school fiscal year combined with
7 any adjustments in state aid payments and transfers from other
8 districts pursuant to this section.

9 Sec. 74. Section 79-1072, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-1072 The school board or board of education of any
12 Class II, III, IV, or V, ~~or VI~~ school district may establish
13 a contingency fund for losses. Such contingency fund shall be
14 established and maintained by transfers from the general fund
15 of such school district as authorized by the school board or
16 board of education of such school district. Disbursements from
17 such contingency fund shall not exceed five percent of the total
18 budgeted general fund expenditures of the school district and shall
19 be used only for defense against losses, payment of losses, and
20 transfer of funds to the general fund of such school district as
21 authorized by the board.

22 Sec. 75. Section 79-1077, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-1077 ~~(1)~~ Whenever the affiliation of a Class I
25 district ~~or portion thereof~~ becomes final, the general fund

1 property tax requirement of the high school district and each
2 Class I district ~~or portion thereof~~ in an affiliated school system
3 shall be certified to the county assessor for computation of
4 an affiliated school system tax levy. The proceeds of such tax
5 levy, upon collection by the county, shall be distributed to the
6 districts in the affiliated school system in amounts which are
7 in proportion to the amounts of the general fund property tax
8 requirements certified by such districts to the county assessor.
9 Such tax levy shall be ~~computed as follows:~~(a) If one ~~or more~~ Class
10 I districts affiliate with only one high school district, the sum
11 of the general fund property tax requirements of the high school
12 district and all such affiliated Class I districts shall be divided
13 by the sum of the assessed valuation, in hundreds, of all such
14 districts. ~~or~~

15 (b) If a Class I district ~~or portion thereof~~ affiliates
16 with more than one high school district, such Class I district's
17 general fund property tax requirement shall be apportioned to
18 respective portions of such Class I district for purposes of this
19 computation based on each portion's assessed taxable valuation in
20 relation to the total assessed valuation of all affiliated portions
21 of the Class I district certified by the county clerk pursuant to
22 section 79-1074, and the affiliated school system tax levy shall
23 be computed as though it were a single district as prescribed in
24 subdivision (a) of this subsection.

25 (2) When a Class I district ~~or portion thereof~~ affiliates

1 in part with one or more districts and in part becomes a part of
 2 one or more Class VI districts, the tax levy assessed on taxable
 3 property within the Class I district to fund the portion of the
 4 budget of the Class I district which is to come from the general
 5 fund property tax requirement shall be made as follows:

6 (a) The proportionate share of the Class I district
 7 budget allocable to any affiliated system shall be assessed on
 8 all property within such affiliated system as described in this
 9 section, and

10 (b) The proportionate share of the Class I general fund
 11 property tax requirement not allocable to any affiliated system
 12 shall be assessed in accordance with section 79-1078.

13 Sec. 76. Section 79-1083.02, Revised Statutes Cumulative
 14 Supplement, 2006, as affected by Referendum 2006, No. 422, is
 15 amended to read:

16 79-1083.02 On or before February 5, 2003, and on or
 17 before February 1, of each year thereafter, the State Department
 18 of Education shall designate a primary high school district for
 19 each Class I school district for the following school fiscal year.
 20 The primary high school district shall be the one Class II, III,
 21 IV, or V, or VI school district or the unified system with which
 22 the greatest share of the Class I district's assessed valuation is
 23 affiliated or of which such share is a part for the school fiscal
 24 year immediately preceding the school fiscal year for which the
 25 primary high school district determination is made. The department

1 shall certify to all school districts and all county clerks the
2 primary high school district for each Class I district.

3 Sec. 77. Section 79-1083.03, Revised Statutes Cumulative
4 Supplement, 2006, as affected by Referendum 2006, No. 422, is
5 amended to read:

6 79-1083.03 ~~(1)(a)~~ If the primary high school district
7 designated pursuant to section 79-1083.02 is a Class VI district,
8 the Class I district's total allowable general fund budget of
9 expenditures minus the special education budget of expenditures
10 shall be determined by the school board of such Class VI district
11 and shall be certified to the Class I district on or before June
12 24, 2003, and on or before March 1 each year thereafter for the
13 following school fiscal year.

14 ~~(b)~~ The Class VI primary high school district shall
15 certify the total allowable general fund budget of expenditures
16 minus the special education budget of expenditures for the Class I
17 district to the State Department of Education on or before August
18 1, 2003, and on or before April 20 each year thereafter.

19 ~~(2)~~ If the primary high school district is not a Class
20 VI district, the (1) The Class I district's total allowable minimum
21 budget authority for the general fund budget of expenditures minus
22 the special education budget of expenditures shall be determined by
23 the department as follows and certified on or before June 15, 2003,
24 and certified on or before February 1 each year thereafter, for the
25 following school fiscal year and shall equal the greater of fifty

1 thousand dollars or the cost grouping cost per student for the
 2 local system's cost grouping multiplied by the adjusted weighted
 3 formula students attributed to the Class I school district for the
 4 certification of aid pursuant to section 79-1022. For new Class I
 5 school districts which will be created for the following school
 6 year pursuant to orders issued by the State Committee for the
 7 Reorganization of School Districts, the minimum budget authority
 8 for the general fund budget of expenditures minus the special
 9 education budget of expenditures shall equal the greater of fifty
 10 thousand dollars or the cost grouping cost per student for the
 11 local system's cost grouping multiplied by the estimated number of
 12 students included in the plan pursuant to section 1 of this act. +

13 (a) The total allowable general fund budget of
 14 expenditures minus the special education budget of expenditures
 15 for the Class I district in the school fiscal year immediately
 16 preceding the school fiscal year for which the budget is prepared
 17 shall be divided by the formula students in the Class I district
 18 as defined in section 79-1003, and the result shall be increased
 19 by the applicable allowable growth rate for the primary high
 20 school district's local system for the ensuing school fiscal year
 21 calculated pursuant to section 79-1026 as determined on or before
 22 June 15, 2003, and on or before February 1 each year thereafter, of
 23 the school fiscal year immediately preceding the school fiscal year
 24 for which the budget is prepared;

25 (b) The total allowable general fund budget of

1 expenditures minus the special education budget of expenditures
2 for the primary high school district in the school fiscal year
3 immediately preceding the school fiscal year for which the budget
4 is prepared shall be divided by the formula students as defined
5 in section 79-1003 in the primary high school district weighted
6 by the grade weighting factors contained in subdivision (1)(a)
7 of section 79-1007.01, and the result shall be multiplied by the
8 kindergarten through grade eight formula students as defined in
9 section 79-1003 weighted by the grade weighting factors contained
10 in subdivision (1)(a) of section 79-1007.01 to calculate the total
11 allowable general fund budget of expenditures minus the special
12 education budget of expenditures for kindergarten through grade
13 eight in the primary high school district. The total allowable
14 general fund budget of expenditures minus the special education
15 budget of expenditures for kindergarten through grade eight shall
16 be divided by the kindergarten through grade eight formula students
17 without weighting. The result shall be increased by the applicable
18 allowable growth rate for the primary high school district's local
19 system for the ensuing school fiscal year calculated pursuant to
20 section 79-1026 as determined on or before June 15, 2003, and on or
21 before February 1 each year thereafter, of the school fiscal year
22 immediately preceding the school fiscal year for which the budget
23 is prepared;

24 (c) The amounts calculated in subdivisions (2)(a) and
25 (2)(b) of this section shall be summed and the result divided

1 by two to arrive at the total allowable general fund budget of
2 expenditures minus the special education budget of expenditures per
3 formula student for the Class I district, and

4 ~~(d)~~ The total allowable general fund budget of
5 expenditures minus the special education budget of expenditures per
6 formula student for the Class I district shall be multiplied by
7 the formula students as defined in section 79-1003 for the Class I
8 district as used by the department for certification of the ensuing
9 school fiscal year's state aid, and the result shall be the total
10 allowable general fund budget of expenditures minus the special
11 education budget of expenditures for the Class I district for the
12 ensuing school fiscal year except as provided in subsection (3) of
13 this section.

14 ~~(3)(a)~~ (2)(a) The school board of the Class I district
15 may, shall, on or before July 1, 2003, and on or before March 10,
16 each year thereafter, submit a request to exceed the for a total
17 allowable general fund budget of expenditures minus the special
18 education budget of expenditures to all the school boards the
19 school board of the high school district ~~or districts~~ with which
20 the Class I district is affiliated, or of which it is a part. For
21 Class I districts to exceed the total allowable general fund budget
22 of expenditures minus the special education budget of expenditures,
23 the total general fund budget of expenditures request shall be
24 approved by high school districts, including the primary high
25 school district, such that the portions of the Class I district

1 that are affiliated with or part of the approving high school
2 districts comprise at least two-thirds of the assessed valuation
3 of the Class I district. Such request shall specify the total
4 general fund budget of expenditures, broken down by expenditures
5 for special education, for regular education, and for special grant
6 funds as defined in section 79-1003, for which the Class I district
7 seeks authority.

8 (b) The high school district shall approve or deny the
9 request on or before July 15, 2003, and on or before April 10 each
10 year thereafter following the receipt of such request and shall
11 forward written notification to the Class I district of approval
12 or denial. A request for additional budget authority shall be
13 considered approved in the full amount of the request if (i) no
14 action is taken by the high school district or (ii) the high school
15 district fails to send written notification to the Class I district
16 of the denial of a request for additional budget authority. The
17 high school district may modify the request prior to approval,
18 except that the total allowable general fund budget of expenditures
19 minus the special education budget of expenditures shall not be
20 less than the minimum budget authority calculated pursuant to
21 subsection (1) of this section for an approved request. If the high
22 school district denies the request, the total allowable general
23 fund budget of expenditures minus the special education budget of
24 expenditures shall be zero. The total allowable general fund budget
25 of expenditures minus the special education budget of expenditures

1 for a Class I school district shall be included within the budget
2 authority of the high school district.

3 (4) The school board of a Class I district may, after
4 October 15 of each year, amend the general fund budget of
5 expenditures (a) by increasing the special education budget of
6 expenditures, (b) for any special grant funds as defined in section
7 79-1003 received any time during a school fiscal year, or (c) for
8 current fiscal year expenditures the board deems essential if the
9 expenditures could not reasonably have been anticipated at the time
10 the budget for the current year was adopted. A copy of the revised
11 budget shall be filed pursuant to subsection (4) of section 13-511
12 and section 79-1024.

13 (5) ~~All~~ Each Class I ~~districts~~ district shall certify the
14 items required by subsection (1) of section 13-508 to ~~all of their~~
15 ~~high school districts~~ its high school district on or before August
16 1.

17 (6) All primary high school districts shall certify to
18 the department and ~~all other affected districts,~~ ~~on or before~~
19 ~~August 1, 2003,~~ and on or before April 20 each year thereafter,
20 the approved total allowable general fund budget of expenditures
21 minus the special education budget of expenditures for a each Class
22 I district ~~when the Class I district has requested to exceed its~~
23 ~~certified budget authority and the request has been approved.~~ with
24 which the high school district is affiliated.

25 Sec. 78. Section 79-10,103, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-10,103 (1) The school board of any school district
3 may lease, purchase, acquire, own, manage, and hold title to
4 real property which is located outside of its school district for
5 laboratory, recreation, camping, or educational facilities, except
6 that any purchase costing (a) more than one thousand dollars by
7 any Class I or II school district or (b) more than five thousand
8 dollars by any Class III, IV, or V ~~or VI~~ school district shall
9 be submitted to a vote of the legal voters in that school district
10 seeking to acquire the property.

11 (2) The election provisions of this section do not
12 apply when a school district which currently owns real property
13 outside the school district desires to lease, purchase, acquire,
14 own, manage, and hold title to additional real property located
15 contiguous to such property for laboratory, recreation, camping, or
16 educational facilities.

17 Sec. 79. Section 79-10,110, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 79-10,110 (1) After making a determination that an actual
20 or potential environmental hazard or accessibility barrier exists,
21 that a life safety code violation exists, or that expenditures
22 are needed for indoor air quality or mold abatement and prevention
23 within the school buildings or grounds under its control, a school
24 board may make and deliver to the county clerk of such county
25 in which any part of the school district is situated, not later

1 than the date provided in section 13-508, an itemized estimate of
2 the amounts necessary to be expended for the abatement of such
3 environmental hazard, for accessibility barrier elimination, or for
4 modifications for life safety code violations, indoor air quality,
5 or mold abatement and prevention in such school buildings or
6 grounds. The board shall conduct a public hearing on the itemized
7 estimate prior to presenting such estimate to the county clerk.
8 Notice of the place and time of such hearing shall, at least five
9 days prior to the date set for hearing, be published in a newspaper
10 of general circulation within the school district. The board shall
11 designate the particular environmental hazard abatement project,
12 accessibility barrier elimination project, or modification for life
13 safety code violations, indoor air quality, or mold abatement and
14 prevention for which the tax levy provided for by this section will
15 be expended, the period of years, which shall not exceed ten years,
16 for which the tax will be levied for such project, and the amount
17 of the levy for each year of the period.

18 (2) After a public hearing, a school board may undertake
19 any qualified capital purpose in any qualified zone academy under
20 its control and may levy a tax as provided in this section to
21 repay a qualified zone academy bond issued for such undertaking.
22 The board shall designate the particular qualified capital purpose
23 for which the qualified zone academy bond was issued and for which
24 the tax levy provided for by this section will be expended, the
25 period of years, not exceeding fifteen, for which the tax will be

1 levied for such qualified zone academy bond, and the amount of the
2 levy for each year of the period. The hearing required by this
3 subsection shall be held only after notice of such hearing has been
4 published for three consecutive weeks prior to the hearing in a
5 legal newspaper published or of general circulation in the school
6 district.

7 (3) The board may designate more than one project under
8 subsection (1) of this section or qualified capital purpose
9 under subsection (2) of this section and levy a tax pursuant
10 to this section for each such project or qualified capital
11 purpose, concurrently or consecutively, as the case may be, if
12 the aggregate levy in each year and the duration of each such
13 levy will not exceed the limitations specified in this section.
14 Each levy for a project or qualified capital purpose which is
15 authorized by this section may be imposed for such duration as
16 the board specifies, notwithstanding the contemporaneous existence
17 or subsequent imposition of any other levy for another project
18 or qualified capital purpose imposed pursuant to this section and
19 notwithstanding the subsequent issuance by the district of bonded
20 indebtedness payable from its general fund levy.

21 (4) The county clerk shall levy such taxes, not to
22 exceed five and one-fifth cents per one hundred dollars of taxable
23 valuation for Class II, III, IV, and V, ~~and~~ VI districts, and
24 not to exceed the limits set for Class I districts in section
25 79-10,124, on the taxable property of the district necessary to (a)

1 cover the environmental hazard abatement or accessibility barrier
2 elimination project costs or costs for modification for life
3 safety code violations, indoor air quality, or mold abatement and
4 prevention itemized by the board pursuant to subsection (1) of this
5 section and (b) repay any qualified zone academy bonds pursuant to
6 subsection (2) of this section. Such taxes shall be collected by
7 the county treasurer at the same time and in the same manner as
8 county taxes are collected and when collected shall be paid to the
9 treasurer of the district and used to cover the project costs.

10 (5) If such board operates grades nine through twelve
11 as part of an affiliated school system, it shall designate the
12 fraction of the project or undertaking to be conducted for the
13 benefit of grades nine through twelve. Such fraction shall be
14 raised by a levy placed upon all of the taxable value of all
15 taxable property in the affiliated school system pursuant to
16 subsection (2) of section 79-1075. The balance of the project or
17 undertaking to be conducted for the benefit of grades kindergarten
18 through eight shall be raised by a levy placed upon all of the
19 taxable value of all taxable property in the district which is
20 governed by such board. The combined rate for both levies in the
21 high school district, to be determined by such board, shall not
22 exceed five and one-fifth cents on each one hundred dollars of
23 taxable value.

24 (6) Each board which submits an itemized estimate shall
25 establish an environmental hazard abatement and accessibility

1 barrier elimination project account, a life safety code
2 modification project account, an indoor air quality project
3 account, or a mold abatement and prevention project account, and
4 each board which undertakes a qualified capital purpose shall
5 establish a qualified capital purpose undertaking account, within
6 the qualified capital purpose undertaking fund. Taxes collected
7 pursuant to this section shall be credited to the appropriate
8 account to cover the project or undertaking costs. Such estimates
9 may be presented to the county clerk and taxes levied accordingly.

10 (7) For purposes of this section:

11 (a) Abatement includes, but is not limited to, any
12 inspection and testing regarding environmental hazards, any
13 maintenance to reduce, lessen, put an end to, diminish, moderate,
14 decrease, control, dispose of, or eliminate environmental hazards,
15 any removal or encapsulation of environmentally hazardous material
16 or property, any restoration or replacement of material or
17 property, any related architectural and engineering services, and
18 any other action to reduce or eliminate environmental hazards in
19 the school buildings or on the school grounds under the board's
20 control, except that abatement does not include the encapsulation
21 of any material containing more than one percent friable asbestos;

22 (b) Accessibility barrier means anything which impedes
23 entry into, exit from, or use of any building or facility by all
24 people;

25 (c) Accessibility barrier elimination includes, but is

1 not limited to, inspection for and removal of accessibility
2 barriers, maintenance to reduce, lessen, put an end to, diminish,
3 control, dispose of, or eliminate accessibility barriers, related
4 restoration or replacement of facilities or property, any related
5 architectural and engineering services, and any other action to
6 eliminate accessibility barriers in the school buildings or grounds
7 under the board's control;

8 (d) Environmental hazard means any contamination of the
9 air, water, or land surface or subsurface caused by any substance
10 adversely affecting human health or safety if such substance has
11 been declared hazardous by a federal or state statute, rule, or
12 regulation;

13 (e) Modification for indoor air quality includes, but
14 is not limited to, any inspection and testing regarding indoor
15 air quality, any maintenance to reduce, lessen, put an end to,
16 diminish, moderate, decrease, control, dispose of, or eliminate
17 indoor air quality problems, any restoration or replacement of
18 material or related architectural and engineering services, and any
19 other action to reduce or eliminate indoor air quality problems
20 or to enhance air quality conditions in new or existing school
21 buildings or on school grounds under the control of a school board;

22 (f) Modification for life safety code violation includes,
23 but is not limited to, any inspection and testing regarding life
24 safety codes, any maintenance to reduce, lessen, put an end to,
25 diminish, moderate, decrease, control, dispose of, or eliminate

1 life safety hazards, any restoration or replacement of material or
2 property, any related architectural and engineering services, and
3 any other action to reduce or eliminate life safety hazards in new
4 or existing school buildings or on school grounds under the control
5 of a school board;

6 (g) Modification for mold abatement and prevention
7 includes, but is not limited to, any inspection and testing
8 regarding mold abatement and prevention, any maintenance to
9 reduce, lessen, put an end to, diminish, moderate, decrease,
10 control, dispose of, or eliminate mold problems, any restoration or
11 replacement of material or related architectural and engineering
12 services, and any other action to reduce or eliminate mold problems
13 or to enhance air quality conditions in new or existing school
14 buildings or on school grounds under the control of a school board;

15 (h) Qualified capital purpose means (i) rehabilitating or
16 repairing the public school facility in which the qualified zone
17 academy is established or (ii) providing equipment for use at such
18 qualified zone academy;

19 (i) Qualified zone academy has the meaning found in 26
20 U.S.C. 1397E(d)(4), as such section existed on April 6, 2001;

21 (j) Qualified zone academy allocation means the
22 allocation of the qualified zone academy bond limitation by the
23 State Department of Education to the qualified zone academies
24 pursuant to 26 U.S.C. 1397E(e)(2), as such section existed on April
25 6, 2001; and

1 (k) Qualified zone academy bond has the meaning found in
2 26 U.S.C. 1397E(d)(1), as such section existed on May 8, 2001.

3 (8) Accessibility barrier elimination project costs
4 includes, but is not limited to, inspection, maintenance,
5 accounting, emergency services, consultation, or any other action
6 to reduce or eliminate accessibility barriers.

7 (9) For the purpose of paying amounts necessary for
8 the abatement of environmental hazards, accessibility barrier
9 elimination, or modifications for life safety code violations,
10 indoor air quality, or mold abatement and prevention, the board may
11 borrow money and issue bonds and other evidences of indebtedness
12 of the district, which bonds and other evidences of indebtedness
13 shall be secured by and payable from an irrevocable pledge by the
14 district of amounts received in respect of the tax levy provided
15 for by this section and any other funds of the district available
16 therefor. Bonds and other evidences of indebtedness issued by a
17 district pursuant to this subsection shall not constitute a general
18 obligation of the district or be payable from any portion of its
19 general fund levy.

20 (10) The total principal amount of bonds for
21 modifications to correct life safety code violations, for indoor
22 air quality problems, or for mold abatement and prevention which
23 may be issued pursuant to this section shall not exceed the total
24 amount specified in the itemized estimate described in subsection
25 (1) of this section.

1 (11) The total principal amount of qualified zone academy
2 bonds which may be issued pursuant to this section for qualified
3 capital purposes with respect to a qualified zone academy shall
4 not exceed the qualified zone academy allocation granted to the
5 board by the department. The total amount that may be financed by
6 qualified zone academy bonds pursuant to this section for qualified
7 purposes with respect to a qualified zone academy shall not exceed
8 seven and one-half million dollars statewide in a single year.
9 In any year that the Nebraska qualified zone academy allocations
10 exceed seven and one-half million dollars for qualified capital
11 purposes to be financed with qualified zone academy bonds issued
12 pursuant to this section, (a) the department shall reduce such
13 allocations proportionally such that the statewide total for such
14 allocations equals seven and one-half million dollars and (b) the
15 difference between the Nebraska allocation and seven and one-half
16 million dollars shall be available to qualified zone academies for
17 requests that will be financed with qualified zone academy bonds
18 issued without the benefit of this section.

19 Nothing in this section directs the State Department of
20 Education to give any preference to allocation requests that will
21 be financed with qualified zone academy bonds issued pursuant to
22 this section.

23 Sec. 80. Section 79-10,114, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-10,114 No school property of any kind belonging to

1 any Class II, III, or IV, ~~or~~ ~~VI~~ school district shall be sold
2 by the school board or board of education except at a regular
3 meeting of the board and with an affirmative recorded vote of at
4 least two-thirds of all the members of the board. Proceeds of sale
5 of school property sold as provided in this section may be held
6 separately from other funds of the school district and may be used
7 for any school purpose as the board may determine, including, but
8 not limited to, acquiring sites for school buildings or teacherages
9 and purchasing existing buildings for use as school buildings or
10 teacherages, including the sites upon which such buildings are
11 located, and the erection, alteration, equipping, and furnishing of
12 school buildings or teacherages.

13 Sec. 81. Section 79-10,117, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-10,117 The legal voters of any Class III ~~or~~ ~~VI~~ school
16 district have the power, at an election or at any annual or special
17 meeting, to (1) direct the purchasing or leasing of any appropriate
18 site and the building, hiring, or purchasing of a teacherage
19 for the purpose of providing housing facilities for the school
20 employees of the district, (2) determine the amount necessary to be
21 expended for such purposes the succeeding year, and (3) vote on a
22 tax on the property of the district for the payment of the amount.

23 Sec. 82. Section 79-10,118, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-10,118 A tax to establish a special fund for the

1 building, hiring, or purchasing of a teacherage for the purpose of
2 providing housing facilities for the school employees of any Class
3 III ~~or VI~~ district may be levied when authorized by fifty-five
4 percent of the legal voters voting on the proposition. The notice
5 of the proposal to establish such special fund shall include the
6 sum to be raised or the amount of the tax to be levied, the
7 period of years, and the time of its taking effect. If fifty-five
8 percent of the legal voters voting at any such election vote in
9 favor of the proposition, the result of such election shall be
10 certified to the county board which, upon being satisfied that all
11 the requirements have been substantially complied with, shall cause
12 the proceedings to be entered upon the record of the county board
13 and shall make an order that the levy be made in accordance with
14 the election result and collected as other taxes.

15 Sec. 83. Section 79-10,120, Revised Statutes Cumulative
16 Supplement, 2006, is amended to read:

17 79-10,120 The school board or board of education of a
18 Class II, III, IV, or V, ~~or VI~~ school district may establish a
19 special fund for purposes of acquiring sites for school buildings
20 or teacherages, purchasing existing buildings for use as school
21 buildings or teacherages, including the sites upon which such
22 buildings are located, and the erection, alteration, equipping,
23 and furnishing of school buildings or teacherages and additions
24 to school buildings for elementary and high school grades and
25 for no other purpose. For school districts that are not members

1 of learning communities, the fund shall be established from the
2 proceeds of an annual levy, to be determined by the board, of
3 not to exceed fourteen cents on each one hundred dollars upon
4 the taxable value of all taxable property in the district which
5 shall be in addition to any other taxes authorized to be levied
6 for school purposes. Such tax shall be levied and collected as
7 are other taxes for school purposes. For school districts that are
8 members of a learning community, such fund shall be established
9 from the proceeds of the learning community special building funds
10 levy directed to the school district for such purpose pursuant
11 to subdivision (2)(f) of section 77-3442 and the proceeds of any
12 school district special building fund levy pursuant to subdivision
13 (2)(b) of section 77-3442.

14 Sec. 84. Section 79-1217, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 79-1217 (1) All educational service units, except
17 Educational Service Units No. 18 and 19, shall be governed by a
18 board to be known as the Board of Educational Service Unit No.
19 The educational service unit board shall be composed of
20 one member from each county and four members at large, all of whom
21 shall reside within the geographical boundaries of the educational
22 service unit, but no more than two of the members at large shall
23 be appointed or elected from the same county unless any one county
24 within the educational service unit has a population in excess of
25 one hundred fifty thousand inhabitants or the educational service

1 unit consists of only one county. The four candidates who receive
2 the highest number of votes for at-large representative shall be
3 elected, except that if more than two of such candidates reside
4 within the same county which has a population of one hundred fifty
5 thousand inhabitants or less, the candidates from such county
6 receiving fewer votes than the two candidates receiving the highest
7 number of votes for at-large representative from such county shall
8 not be elected and a vacancy or vacancies shall exist for at-large
9 representative. The vacancy shall be filled pursuant to subsection
10 (2) of this section. Successors to the members initially appointed
11 shall be elected pursuant to section 32-515.

12 (2) Vacancies in office shall occur as set forth in
13 section 32-560. Whenever any vacancy occurs on the board, the
14 remaining members of such board shall appoint an individual
15 residing within the geographical boundaries of the educational
16 service unit and meeting the qualifications for the office to fill
17 such vacancy for the balance of the unexpired term.

18 (3) Members of the board shall receive no compensation
19 for their services but shall be reimbursed for the actual and
20 necessary expenses incurred in the performance of their duties
21 under the Educational Service Units Act as provided in sections
22 81-1174 to 81-1177.

23 (4) Except as provided in subsection (5) of this section,
24 any joint school district located in two or more counties shall
25 be considered a part of the educational service unit in which the

1 greater number of school-age children of such joint school district
2 reside. All legal voters of any such joint school district shall be
3 eligible to hold office as the county representative of the county
4 in which the greater number of school-age children reside. Any
5 legal voter of any joint school district shall be eligible to hold
6 office as the at-large representative if such legal voter resides
7 within the geographical boundary of the school district comprising
8 the educational service unit.

9 ~~(5) Any Class I district which is part of a Class VI~~
10 ~~district shall be considered a part of the educational service~~
11 ~~unit of which the Class VI district is a member. If the Class~~
12 ~~VI district has removed itself from an educational service unit,~~
13 ~~each Class I district which is part of such Class VI district may~~
14 ~~continue its existing membership in an educational service unit~~
15 ~~or may change its status relative to membership in an educational~~
16 ~~service unit in accordance with section 79-1209. The patrons of a~~
17 ~~Class I district maintaining membership in an educational service~~
18 ~~unit pursuant to this subsection shall have the same rights and~~
19 ~~privileges as other patrons of the educational service unit, and~~
20 ~~the taxable valuation of the taxable property within the geographic~~
21 ~~boundaries of such Class I district shall be subject to the~~
22 ~~educational service unit's tax levy established pursuant to section~~
23 ~~79-1225.~~

24 ~~(6)~~ (5) The administrator of each educational service
25 unit, prior to July 1 of each year in which a statewide primary

1 election is to be held, shall certify to the election commissioner
2 or county clerk of each county located within the unit the
3 corporate name of each school district, as described in section
4 79-405, located within the county. If a school district is a joint
5 school district located in two or more counties, the administrator
6 shall certify to each election commissioner or county clerk the
7 educational service unit of which the school district is considered
8 to be a part.

9 ~~(7)~~ (6) Educational Service Unit No. 18 shall be governed
10 by the school board of School District 55-001 of Lancaster County.

11 ~~(8)~~ (7) Educational Service Unit No. 19 shall be governed
12 by the school board of School District 28-001 of Douglas County.

13 Sec. 85. Section 79-1504, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-1504 The provisions of Article III, SECTION A., of the
16 Compact for Education notwithstanding, the members of the Education
17 Commission of the States representing this state shall consist
18 of the Governor, three members of the Legislature selected by
19 the Executive Board of the Legislative Council, and three members
20 appointed by the Governor. Of the three members appointed by the
21 Governor, one member shall be a member of a school board or board
22 of education of a Class II, III, IV, or V, ~~or VI~~ school district or
23 an appointed representative of a state association of school boards
24 or boards of education representing such districts.

25 Sec. 86. Original sections 32-570, 79-498, 79-4,100,

1 79-4,103, 79-501, 79-502, 79-524, 79-525, 79-526, 79-559, 79-569,
2 79-570, 79-572, 79-576, 79-577, 79-578, 79-579, 79-580, 79-581,
3 79-587, 79-588, 79-594, 79-5,107, 79-716, 79-828, 79-1023, 79-1029,
4 79-1036, 79-1072, 79-1077, 79-10,103, 79-10,110, 79-10,114,
5 79-10,117, 79-10,118, 79-1217, and 79-1504, Reissue Revised
6 Statutes of Nebraska, sections 23-3302, 72-2304, 79-528, 79-554,
7 79-586, 79-1030, 79-1065.02, and 79-10,120, Revised Statutes
8 Cumulative Supplement, 2006, and sections 79-102, 79-401, 79-402,
9 79-403, 79-413, 79-415, 79-416, 79-418, 79-419, 79-423, 79-431,
10 79-433, 79-434, 79-443, 79-447, 79-452, 79-454, 79-455, 79-470,
11 79-472, 79-473, 79-479, 79-494, 79-495, 79-4,101, 79-611, 79-850,
12 79-1003, 79-1026, 79-1028, 79-1083.02, and 79-1083.03, Revised
13 Statutes Cumulative Supplement, 2006, as affected by Referendum
14 2006, No. 422, are repealed.

15 Sec. 87. The following sections are outright repealed:
16 Sections 32-546, 79-523, 79-553, 79-563, 79-568, 79-585, 79-5,108,
17 79-717, and 79-1078, Reissue Revised Statutes of Nebraska, and
18 sections 79-404, 79-410, 79-411, 79-417, 79-424, 79-425, 79-426,
19 79-477, 79-478, 79-4,109, 79-4,110, and 79-4,111, Revised Statutes
20 Cumulative Supplement, 2006, as affected by Referendum 2006, No.
21 422.